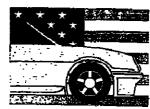
ort for boun

الربون وحرياه فالرمؤ

FINANCIAL TIMES



Out of tune

Motown at odds with Wall St



Nature hits back

Recriminations on the Rhine



Equitas solution

Lloyd's unwinds a tangled web



Uphill battle

On the trail of software pirates

back into profit in the first quarter

Metallgesellschaft, the German industrial and trading company which was nearly bankrupted last year by US oil trading losses, has weathered its cri-sis and made a small profit in the first quarter, chairman Kajo Neukirchen said.

He admitted the operating profit of DM10m (\$6.5m) in the first three months was minimal. "It's nothing to die laughing about," he said "We've kept Metallgesellschaft alive in smaller form. This is no reason for excitement." Page 15; Lex., Page 14

essure grows on Polish PM: The Polish political crisis deepened as Waldemar Pawlak, prime minister and Peasant party leader, came under further pressure to resign and open the way for a reshuffle of top government positions, as demanded by President Lech Walesa. Page 2

Broker moves into Tokyo exchange: Smith New Court, UK broker, and Paribas Capital Markets, French securities house, are buying seats on the Tokyo stock exchange despite the continuing

slump in Japanese share trading. Page 14



A child reaches out to touch the Princess of Wales as she toured the Kitamachi senior centre in Tokyo yesterday. The princess, on a four-day visit to Japan, was earlier said to have slept through a minor earthquake tremor measuring 3.9 on the Richter scale which hit the Japanese capital. The tremor was apparently unconnected with last month's Kobe earthquake.

Hungarian bank chief named: Gyula Horn, Hungary's Socialist prime minister, moved to restore confidence in the country's financial management by nominating two competent, indepen-Lajos Bokros - as respectively president of the central bank and finance minister. Page 14

PepsiCo, US snacks and soft drinks group, produced a strong end to a mixed year, reporting a 16 per cent increase in net profits to \$513.3m for the fourth quarter. Page 15

Call for closer EU-Japan ties: Jorn Keck, the European Union's new ambassador to Japan, called for broader relations with Tokyo, including more foreign policy co-operation, but warned of pressure for a tougher trade stance. Page 8

Chinese state sector backed: China could not dismantle its state-owned industrial system and engage in a rush to privatisation, the influential head of a cabinet think-tank has said in a spirited defence of the country's alling state sector. Page 8

Scandinavian Airlines System, which less than two years ago went in vain search of merger partners to rescue it from losses, flew back into the black for the first time in five years in 1994, swinging to a pre-tax profit of SKr1.5bn (\$201m) from a loss in 1993 of SKr492m. Page 15

Schering, German pharmaceuticals group, report ed a 12 per cent rise in preliminary net profits for 1994 to DM2S5m (\$190m), with turnover lifted by sales of multiple sclerosis drug Betaseron. Page 16

Church to sell shopping centre: The UK Church Commissioners are to sell the MetroCentre in Gateshead, northern England, which is Europe's largest covered shopping and leisure centre. Th move is part of a programme to reduce exposure to the commercial property market. Page 9

Sears Roebuck continued its retailing division recovery in 1994, with group net income in the fourth quarter was \$685m, compared with \$545m in the same period a year earlier. Page 18

Shekel devaluation ruled out: Israel's central bank has rejected a one-time devaluation of the israeli shekel, in spite of growing pressure for such a move from manufacturing industry. Page 4

Bomb found in French town: About 9,000 people were evacuated from Dugny, a small town on the northern fringes of Paris, after workers found an unexploded 1,100 lb world war two bomb.

STOCK MARKET RIDE	CES	# GOLD	
tew York tonchione		Hear Yest: Corn	EX.
low Jones Ind Av3,931.0	(-6.73)	(Apr)\$377.3	(378.
IASDAQ Composite778.54	(-0.31)	***	-
arnoe and For Fast	•	Toeque:	
AC401,870.44	(-1.67)	ciose\$374.8	(375.1
1AX2992_49	17 XI		
T-SE 1003,072.7	(+10.7)	■ DOLLAR	_
8kkel18,500-5	(-166.58)	New York: buch	dine
•		2 2	
US LUNCHTIME RATE	S	DM1.53725	
ederal Funds512%		Fr531575	
High Treas 68s; Yeb5.947%		SF:1,303	
ong Band98		Y99,425	
leki		1	
194		London:	
OTHER RATES		£1.5573	
	ent for	DN15955	
K: 3-mo interbank634%	(61.5%)	Fr5314	
RC: 10 yr GRt1003	(9912)	Sf:1.3008	(1.296)
tance: 10 yr OAT96.62	(90.34)	Y99.365	(99.35
creany. 10 yr Bund100.63	(99.69)	l	
apanz 10 yr JGB96.521	(96.399)	S STERLING	
	_	DM23912	(2.388)
e north SEA Oil (Argu		ł	
rent 15-day (Mar)\$17.11	4704	Toloro close:	Y 99.

By David Buchan in Paris and other emerging market countries The International Monetary Fund ension funds was unique." He noted that while the IMF had received "appropriate

convalescence goes well."

He argued that a better early There were fears in the wake of

At present, the IMF conducts

ally.

Mr Camdessus said the Mexican crisis illustrated many of the risks he had identified: "Even in countries that are well

Metallgesellschaft | Moscow grants itself the power to renationalise

The city of Moscow has passed a resolution empowering it to renationalise enterprises in the Russian capital, in a move which highlights the fragility of newly granted private property rights. The decision also reflects how national and local leaders, reformers and conservatives alike, are struggling for control. The resolution was drafted by

the capital's "premier" and is reg-ularly ranked high among Rus-sia's most powerful politicians.

Citing "serious mistakes in the privatisation of enterprises in the city", the resolution empowers the Moscow municipal government to dilute the shareholdings of private investors and assume a 51 per cent stake in enterprises controlled by the city before mass privatisation.

With this resolution, Moscow Mr Yuri Luzhkov, the mayor of has joined the ranks of powerful Moscow, who styles himself as interest groups which have

sought, over the past few weeks, to reassert control over property in Russia. Similar efforts have included the secret dilution of private shares in Kominett, a big Russian oil company, and the attempt by the defence industry lobby to reclaim control of its sector from private investors.

The move has met strenuous opposition from private investors and brokers, who stand to lose most if privatisation is even par-

Mr Sergei Chuzhov, an official

at the Moscow Property Agency, said the decision to renationalise some enterprises is based on the desire to protect Muscovites "from some mistakes in the first stage of privatisation".

One example Moscow officials cite is the privatised Zil car plant which was forced by financial difficulties to stop production for two weeks last month. Zil managers have suggested renationalisation as a solution to fiscal woes. By calling into question the sanctity of private property

rights, Mr Luzhkov risks incur-ring the wrath of Russia's increasingly assertive private

"This is a terrifying resolu-tion," said Mr Andrei Volgin, a leading Moscow broker and chairman of the Shareholders' Rights Committee. "This resolution goes directly against the general direction of the Russian government "

Mr Volgin said that he plans to bring up the Moscow resolution at a meeting of the Russian cabinet, scheduled for today.
"We will now see a serious fight between Mr Luzhkov, and the financial groups who back him, and prime minister Viktor Chernomyrdin, and his support ers in the oil and gas lobby," Mr

Volgin said. The decisive figure in the bat-tle will be president Boris Yeltsin. Mr Yeltsin, whose own political career was launched from the Moscow mayor's office, has always been sensitive to Mr

IMF urges close watch on weaker economies

plans to step up surveillance of economies in "convalescence" to head off financial crises such as

The proposal was put forward yesterday by Mr Michel Camdessus, the fund's managing director, who said he could think of 10 countries that could run into serious difficulties this year. However, speaking to journalists in Paris, he added: "Don't expect

me to give you the list." The plan for greater monitor-ing will go before the IMF board's biennial review of such mecha-

nisms on February 17.
Fund officials said they believed Mr Camdessus cited the figure of 10 more to underline the general risk than to give a precise total. But Mr Camdessus's remarks surprised some economists who said the danger of contagion from Mexico had subsided.

Mexico's devaluation in December that emerging economies as varied as Argentina, Brazil, China, Hungary, Thailand and South Africa - and even some industrialised countries such as Italy, Sweden and Canada might suffer a similar loss of international investor support. But one close observer of Mexico said yesterday it was a special case. Mr David Hale, chief economist for the Chicago-based Kemper Financial Services, said: "It would be imprudent to argue that a crisis on the scale of

Mexico could develop in several

because Mexico's dependence on capital flows from US mutual and Mr Camdessus said talks

between Moscow and the fund on a \$6.2bn standby loan for Russia's ailing economy were still not settled. "We are not yet there," he

responses" in its conversations on the Russian economy, they were "not sufficient to come to On Mexico, Mr பெய்கையக

recalled that the country's economy had not come under intensive international scrutiny before the financial crisis, "We will. therefore, introduce still stronger surveillance to be sure that the

warning system might have avoided such an emergency. Some European governments complained that the IMF was panicked into dropping its usual conditions in assessing its \$17.8hn support for Mexico.

intensive negotiations with - and surveillance of - countries that draw or hope to draw formal standby credits from it. But it consults most of the rest of its 178 member countries only annu-

Continued on Page 14



Chechen checkpoint: The Russian capture of key crossroads has left Chechen fighters just one road into the capital Grozny where sporadio army is restoring order to interior ministry troops. Military experts suggested that even though Russian forces might soon secure their grip on the capital, they were still likely to face stiff resistance from Chechen forces in the southern mountains and regional towns Page 2

Time Warner in \$2.6bn cable deal

Time Warner, the US media group, has made its second \$2bnplus cable TV acquisition in a fortnight with the purchase of Cablevision Industries, a privately owned US company with 1.3m subscribers. Time Warner also said it would create a new self-financing structure for its heavily indebted cable and tele-communications interests, and would reduce debt through asset

In a deal valued at \$2.6bn, Time Warner will take on \$2bn of debt and issue common and preferred stock worth \$600m. Together with the recently announced pur chase of Houston Industries cable interests, involving \$1.2bn Editorial Comment, Page 13 of debt and \$1bn of equity, this

leading member of the group, yesterday tabled a Commons question asking Mr kenneth

Clarke, the chancellor of the

US group to gain 1.3m subscribers after buying Cablevision Industries

\$104m, has not made an annual profit since Time and Warner merged in 1989, chiefly because of its debt burden. It did not elabo-

will bring Time Warner's total net debt to \$18.2bm. rate on its plans for a new financial structure, though it is likely to involve an off-balance sheet vehicle rather than a separately cial structure, though it is likely

quoted company. Mr Gerald Levin, chairman, said the "simplification" of the balance sheet would help share-

"Im arriving tonight and I have no time

to pack. How much do I have to bring?"

vehicle rather than a separately

holders to value the two parts of the business, defined as telecommunications and content creation-distribution. Besides its cable interests and growing involvement in telephony, Time Warner is a leading producer of films, music, books and maga

The company did not specify

Continued on Page 14 Lex, Page 14

Major under fresh pressure for Euro-currency statement

Eurosceptics in the UK's ruling Conservative party will today put fresh pressure on Mr John Major, the prime minister, to make a clear statement on whether he favours a single European currency following the disclosure that the UK has made a Ecu94.5m (\$115m) investment in the European Monetary Institute, the precursor of a European Central

The disclosure may prove a further setback to the prime minister's attempts to unite the Conservatives on Europe, and comes after his least ambiguous statement to date that he wants to raise new hurdles to the creation of a single currency.

During a ferocious interchange at prime minister's Questions in the Commons, Mr Major described Mr Tony Blair, leader of the opposition Labour party. as a "dimwit", for pressing him to say whether he supported a single currency. It is unprecedented for Mr Major to use such injection of UK funds into the

© THE FINANCIAL TIMES LIMITED 1995 No 32,595 Week No 6 LONDON - PARIS - FRANKFURT - STOCKHOLM - NEW YORK - TOKYO

a derogatory phrase about the opposition leader. Mr Major said that "we require other criteria to be met" than those spelled out in the Maastricht Treaty before the UK would contemplate joining. In a statement designed to appeal to the Eurosceptics, Mr Major added that even if those "other criteria" were fulfilled the UK might still not participate.

The disclosure of the UK's investment in the Frankfurt-based EMI will add to his difficulties in persuading the nine Tory rebels, suspended from the party whip before Christmas, to rejoin the fold and re-establish a Conservative Commons majority.

The EMI was set up a year ago to oversee stage two of the European Union's move towards a single currency. One of its functions is continuously to assess the economic policies of all member states that are pursuing "convergence programmes" for membership of a single currency. The rebels said last night they

CONTENTS

exchequer, to reveal the size of the UK investment and whether it would be subject to approval According to an EMI statement, the investment has already been made by the Bank of England. It is repayable if the EMI is wound up at an unspecified future date when a single cur-

rency is created.

The UK is the fourth-biggest investor in the EMI after Germany, which has contributed Ecul39m, France, with Ecul65m, and Italy's 97.6m Ecu. The 15 members of the EU have injected a total of Ecu616m into it. The EMI said it required these resources to "generate the interest income deemed necessary' for administrative expenses.

A European central banker said the EMI would invest its capital in relatively safe, lowyielding securities.

How much would you like to bring? Our valets can press your suit—or a week's worth of them-hour. Our spacious rooms offer you hairdryers and thick bathrobes; our health clubs.

please telephone your travel counsellor or call Four Seasons Hotels toll free,

sear from running shorts to aerobics shoes. And our 24-hour concierges are poised to provide anything you intended to bring, but didn't—from a sales presentation on a disk, to a best-seller. Hard cover or audiotape. In this value-conscious FOUR SEASONS HOTELS era, the demands of business demand nothing less. For reservations,

Finer Seasons . Regard Defining the cert of service at 1 hadels in 140

Beleaguered Polish PM puts three choices to coalition partners

Pawlak offers to pull out party

By Christopher Bobinski

Poland's embattled prime minister, Mr Waldemar Pawlak, last night offered to take his Peasant party out of the coalition, leaving the Left Dem-ocratic Alliance (SLD) to search for other coalition partners in the present parliament. He made the proposal at a meeting with the PSL leadership designed to discuss the possibility of a reshuffle. As an alternative, he offered

to surrender the premiership to Mr Jozef Oleksy, an SLD leader and speaker of the Sejm, the senior chamber of parliament. but only if the speaker's

Germany's IG Metall

engineering union yesterday rejected the offer of a wage rise

tied to a delay in the introduc-

tion of the 35-hour working

As regional officials warned

that full-scale strikes now

seemed inevitable, and employ-

ers countered with threats of

lock-outs. Mr Dieter Kirchner.

head of the Gesamtmetall employers' association, tried to

break the deadlock. He said his

negotiators were ready to

make a pay offer on which

both sides would be able to

agree if the one-hour reduction

in the working week, agreed in

The reduction, equivalent to an increase of 2.8 per cent in the industry's wage bill, was

the main obstacle to agree-

ment, he said. He also claimed

that preconditions for the

1990, could be postponed.

week, scheduled for October.

German union

rejects 'absurd'

pay proposal

his own party, Mr Jozef Zych. at present deputy speaker. Under a third variant, Mr Pawlak repeated an earlier suggestion favoured by his supporters who want to see him stay in power that Mr Alexander Kwasniewski, his coalition partner and head of the SLD, become a deputy premier and foreign minister.

Mr Pawlak has come under increasing pressure to resign and open the way for a reshuffie of top government positions as demanded by President Lech Walesa. Yesterday, the pressure came from Mr Kwasniewski, who said his party could leave the government if changes were not made. "It's time for decisions," Mr Kwas-

Although leader of the biggest party in the Polish parliament, he has until now kept out of the government, preferring to exercise his authority behind the scenes.

Mr Pawlak, who is being advised by Mr Michal Strak, head of the cabinet office and the leading party strategist, is seeking to play for time until next Friday's meeting of the PSL's national leadership where he is expected to ask for a vote of confidence.

The PSL has refused demands from the SLD for a ioint meeting of the deputies from the two parties in parlia-

ter. The secret vote, the Peasant party argues, would automatically favour the SLD which has 167 deputies in parliament to the PSL's 131. Earlier yesterday, Mr Strak repeated his offer that Mr

Kwasniewski should become a deputy premier and foreign minister while President Walesa has made clear that he wants him to take over as The SLD, whose reformist

wing favours faster market-orientated reform and privatisation, is now accusing Mr Pawlak of trying to recentralise the economy and of falling to agree appointments to key govern-ment jobs. After initial reluc-

looking expectantly for signs of a split within the PSL ranks which would make such a reshuffle possible as opinion polls show an overwhelming majority of Poles oppose the dissolution of parliament threatened by Mr Walesa.

Meanwhile, the Warsaw stock exchange strengthened on prospects of more decisive political leadership. The main WIG index rose 7.7 per cent as strong buying interest surfaced at the prospect of the SLD takin yesterday's trading reached 70.3m zlotys (\$28.8m) or six times higher than on Monday.

Ford workers in Saarlouis in southwestern Germany stage a one-bour strike yesterday in support

movement from the employers

this week, the national leader-

the employers have not yet made any pay offer.
IG Metall, the biggest and

week - including criteria on business conditions and work-had not been met.

The proposal was promptly rejected by IG Metall which said it would insist on the introduction of the new hours on October 1 "with no ifs or buts". Shorter working hours would help create jobs, the union said, dismissing Mr Kirchner's proposal as "absurd". The union's principal complaint, which has led to warnings that the national leadership will discuss a possible strike ballot next week, is that

most powerful union in the country, and the one likely to set the general level of wage agreements in the rest of industry, has put in a claim for a 6 per cent pay increase Gesamtmetall, on the other

any award must be offset by cost-savings elsewhere. It roused tempers earlier this week with a suggestion that an agreement should be suspended under which employers contributed more than DM2bn (£840m) annually to employee savings schemes.

ship would decide next Tuesday on strike ballots. Mr Dieter Hundt, the employers' association leader from Baden-Württemberg, warned that if full-scale stop-pages resulted, the time would

almost daily by warning strikes in the four weeks since the statutory "cooling off" period expired. These stoppages, generally lasting an hour or so, formerly caused little disturbance. However, they have become markedly more disruptive since the widespread introduction of just-intime component delivery

Mr Walter Riester, union come when "appropriate" lockdeputy chairman, yesterday SPD calls for boycott of British beef

By Michael Lindemann in Bonn

The opposition Social Democratic party (SPD) yesterday launched a full-scal attack on the German government for failing to ban imports of British beef which might be infected with bovine spongiform encephalopathy (BSE), or med cow disease

Three SPD-run state governments called on meat traders and consumers to boycott British beef, saying the government's behaviour was "incompre-

hensible and dangerous". However, it remains unclear whether the SPD offensive will cause the same row between Britain and Germany which followed calls last March by Mr Horst Seehofer, health minister, for a ban on British beef imports because result in EU legal action.

there was no scientific evidence to prove that BSE could not be passed from cattle to humans.

The attack on British beef by SPD Länder (states) was stepped up because Mr Seehofer yesterday passed an emergency decree to bring Germany in line with other EU states which agreed in December to allow the import of Brit-ish beef following the introduction of certain restrictions.

He was forced to resort to the emergency decree after the Bundesrat, the chamber which represents Germany's 16 Länder, had refused last month to approve the EU legislation. The Bundesrat had called instead for an total ban on UK beef imports, a measure which Mr Seebofer warned would

Under the new restrictions only beef British calves are exported, only a few from animals born after January 1, 1992 could be exported, Mr Seehofer veterinary committee had agreed that this gave the best possible guarantee that BSE-infected meat would not reach butcher show

British beef, directly imported from the UK, made up only 381 tonnes or 0.29 per cent of all German imports from the EU in the first nine months of last year, according to a spokesman for the ZMP agency which compiles statis-However, the fuss about BSE last

year caused beef and veal consumption to fall by around 13 per cent. Veal is much less popular in the UK than it is elsewhere in Europe, and statement.

months old, to France and the Netherlands. After six months the animals are no longer considered British and can easily find their way into Germany. which imported almost 35,000 tonnes of beef and veal from the Netherlands the first nine months of last year,

the ZMP spokesman said. Ms Klaudia Martini, the environment minister for the Rhineland-Palatinate, said she had created a "consumers partnership" with meat traders and other organisations which had agreed that British beef could not be processed or sold within the state.

"The route of the beef from the farmyard to the butcher's shop has to be clearly identifiable," she said in a

Bucharest set to meet ethnic Hungarians

bouring states for much of this

By Virginia Marsh in Budapest

Mr Jimmy Carter, former US president, is next week expected to participate in meetings in Atlanta between Romanian government officials and representatives of the country's 1.6m ethnic Hungarian minor ity aimed at resolving ong-standing differences.
The Project on Ethnic Relations, a privately funded US

group, said yesterday it would chair an unofficial meeting between Romanian government officials, representatives of the ethnic Hungarian party the Union of Democratic Mag-yars in Romania (UDMR), and other political parties at the

THE FINANCIAL TIMES Published by The Financial Times (Europe) GmbH, Michingenplaz 3, 60318 Frankfurt am Main. Germany. Telephone ++49 69 156 850, Fax ++49 69 596 4481, Teler. 416193. Represented in Frankfurt by J. Walter Brand, Wilhelm J. Brüssel, Colin A. Kennard as Geschäftsührer and in London by David C.M. Bell, Chairman, and Alam C. Miller, Deputy Chairman. Shareholders of the Financial Times (Europe) GmbH are: The Financial Times (Europe) Ltd. London. Shareholder of the above mentioned two companies is The Financial Times. Limited, Number One Southwark Bridge, London SEI 9141. GERMANY: Responsible for Advertising: Colin A. Ken-

GERMANY:
Responsible for Advertising Colin A. Kennard. Printer: DVM Druck-Vertrieb und
Marketing GmbH, Admiral-RosendahiStrause 3a, 6528 Nen-Issenburg (owned byHornyst International). ISSN 914-7861.
Responsible Editor: Richard Lambert, clo
The Financial Times Lonsted, Number One
Southwark Bridge, London SE1 98L.
FRANCE:
Publishing Director: D. Good, 168 Rue de

FRANCE: Publishing Director: D. Good. 168 Rue de Rivols. F-75044 Paris Cedex 01. Telephone (01) 4297-0621. Fax (01) 4297-0629. Printer: S.A. Nord Eclar. 15/21 Rue de Caire, F-99100 Rombaix Cedex I. Editor: Richard Lambert. ISSN 1148-2753. Commission Paritaire No 67808D.

SWEDEN:
Responsible Publisher: Hugh Carneyy 468 618 6088. Printer: AB Kvillistidningen Expressen, PO Box 6007, S-350 06, Jönköping.

Q. The Financial Times Limited 1995. Editor: Richard Lambert, Lambert,

Carter Centre in Atlanta, Georgia, on February 14. Mr Carter, who is success-

fully carving out a role as an international mediator in conflicts ranging from the former Yugoslavia to North Korea, was expected to attend some meetings although the extent of his involvement was not yet known, PER officials

The initiative is the latest effort to resolve increasingly bitter differences between the Romanian government and its concentrated in Transylvania, Romania's ethnically mixed The dispute is delaying a

which is a condition of both countries' membership of the European Union and Nato. Romania's treatment of the minority and fears of Hungarian claims on Transylvania which was ruled by Budapest until 1920 - have soured rela-

In recent weeks, nationalists in the Romanian government, who have attacked the Atlanta meeting have stepped up their demands to ban the UDMR on the grounds that its demands for greater local autonomy in

century.

basic treaty between Hungary Hungarians are in a majority and Romania, the signing of are unconstitutional and threaten Romania's territorial

They have also demanded ethnic Hungarians be removed from the armed forces and prosecuted for flying foreign flags or singing foreign

The Bucharest government has distanced itself from the nationalists' statements but has itself threatened the UDMR with legal action if it does not disband a council of elected ethnic Hungarian local government officials.

This threat led Mr Gyula areas where ethnic minister, to call off talks in senior Romanian delegation on the morning they were due to

However, Mr Horn said yesterday his government remained committed improving relations with Bucharest and that the foreign ministry had this week submitted a draft basic treaty to Romania. PER, which successfully

chaired two similar meetings hetween the Romanian government and the ethnic Hungar ian minority in 1992 and 1993, said the meeting would discuss education, local administration and laws concerning minori-

European affairs who won her

seat in the Parliament in last

To the dismay of some of her

colleagues, Madame Guigou's

paper was cautious in its pro-

posals for institutional reform.

rejecting calls for extensive

new powers for the parliament

and holding firm against calls

teria for monetary union.

to reopen the convergence cri-

year's elections.

Brussels in bind over Mercedes bus deal

By Emma Tucker

The European Commission faces the delicate task of whether to clear an attempt by Germany's Mercedes-Benz to take over the Kāssbohrer bus group in what is being seen as one of the most sensitive competition cases in recent years. ing which has spanned the motor industry to German bishops, Mr Karel Van Miert, must decide whether a deal which would give Mercedes-Benz a 57 per cent share of the domestic bus market breaks European Union competition

On Friday, a consultation committee composed of repre sentatives of national competition authorities will discuss the case. After that, Mr Van Miert will be expected to reach a verdict.

The tale of the Mercedes Kässbohrer deal is convoluted but typical, involving powerful industrial companies, national governments, and a balancing act between domestic and EU competition authorities.

When the Commission wa first notified of Mercedes' intention to buy the debt-laden Kässbohrer, Germany's own competition authority, the Bundeskartellamt, opposed the deal on the grounds that the takeover would give Mercedes a dominant position in the

domestic bus market. But in its own initial investigations, the Commission tended towards the opposite view: no other buyers were interested, the situation resulting from the takeover would not differ markedly from other member states, and no customers had objected.

However, the Commission's consultation committee was taken aback by the Bundeskartellamt's strong opposition to the deal and asked the Commission itself to look again and ensure there were no other

interested buyers. Opposition was particularly strong from the French who normally take a more relaxed view of market domination reg-

A senior Commission official said this stance was motivated show the Germans that their criticisms of the French national competition authori-

genuine competition concerns.

Meanwhile, as the Commis sion prepared to re-examine the case, Volvo, the Swedish carmaker, declared itself an interested bover, in what was widely suspected in Brussels to be a purely tactical move to buy the company at a knockdown price.

To complicate matters, the Bundeskartellamt, coming under intense lobbying, changed its mind and said that as the company was about to go bankrupt and that there was an obvious haver in the wings, the deal should be

allowed to go ahead. According to senior competi-tion officials, the Commission will not make up its mind until the consultation committee has had its second look at the case. But it is far from clear which way the committee will

Either way, the Commission faces a nasty choice over a case that has thrown together all the ingredients that combine to stand in the way of a coherent competition policy in the European Union - national pride, national politics, industry lobbying and tactical manoeuvrines

If Mr Van Miert approves the deal Volvo will protest, and maybe even challenge the Commission's decision. If he says no, it stands to pick up a

treaty in 1990-1991, also

stressed that the Union should

proceed with more flexible

arrangements which would

allow countries to opt out of

common policies only as a last

resort - a rebuff to German

advocates of a hard-core of

Some 50 socialist MEPs ~

almost a quarter of the 221-

strong group - spoke in the

two-day debate which one par-

ticipant described as "vigorous

Mrs Green said her forthcom-

committed integrationists.

former French minister for to negotiate the Maastricht

EUROPEAN NEWS DIGEST

Russia changes Chechen tactics

The Russian army is planning to wind down its operations in Chechnya and transfer responsibility for restoring order to interior ministry troops, defence ministry officials said yesterday. "The army has routed the main armed bandit formations, destroyed a large number of heavy artillery guns and other hardware, encircled Grozny and seized strategic objectives in the Chechen capital, a ministry spokesman said. Mr Viktor Yerin, the interior minister, yesterday travelled to Chechnya to assume control of the operation as Moscow continued to suggest that the worst of the fighting was now over.

Even though Russian forces might soon secure their grip on Grozny, however, they were likely to face stiff resistance from Checken forces in the southern mountains, as well as in towns such as Gudermes, where 5,000 Chechen fighters are reported to have gathered. Another prominent Russian general yesterday condemned the conduct of the whole operation, saying in a newspaper article that it was poorly planned and badly executed. The army which everyone feared and of which everyone lived in trepidation turned out to be good for abso-lutely nothing," said Gen Vladislav Achalov, who commanded the Soviet crackdown in Baku in Azerbaijan in 1990. President Boris Yeltsin is widely expected to announce a radical shake-up of the army next week. John Thornhill, Moscow

Opposition to EU-Turkey deal

Turkey and Greece have both warned they may oppose a deal arranged by Mr Alain Juppé, French foreign minister, in Brussels on Monday that would allow a long-delayed customs union between Turkey and the European Union to go ahead next year. In return for withdrawing its veto on the customs union, Greece would be granted its demand for a timetable for the opening of negotiations on EU membership for Cyprus. However, Greece said yesterday it would only give its assent in six days. Mr Evangelos Venizelos, Greek government spokesman, yesterday warned that "the government has reservations until it examines this deal assiduously. It is possible that afterwards it will not agree to this formula." He said Greece still objects to plans for Turkey to get \$720m-worth of EU aid a year, which Greece has vetoed repeatedly since 1981. In Ankara yesterday, Mr Murat Karayalçin, Turkish foreign minister, said he welcomed the formula, but warned that "if only the Greek Cypriot part [of the divided island] joins the EU then it will be an obligation for us to take countermea-sures against this". Although Mr Karayalçin did not elaborate, Mr Rauf Denktash, president of Turkish north Cyprus, said last week that he would seek "integration with Turkey" if the Turkish minority's rights were threatened by the Greek-domi-nated island's entry to the EU. John Barham, Ankara

Amnesty attacks Turkish abuse

Amnesty International says in a report today that torture, "disappearances" and extra-judicial killings in Turkey are increasing sharply. The London-based human rights organisation said there were more than 50 cases of "disappearances" kidnapping and murder of political opponents - in 1994, twice as many as in the previous year. Amnesty blames security forces for perpetrating these crimes "with impunity throughout the country". It criticises the government for "prosecuting human rights defenders and curtailing the freedom of opposition press and political organisations'

The government frequently accuses human rights groups of supporting Kurdish separatists. It banned Mr Jonathan Sug-den, Annesty's chief Turkey researcher, from entering the country last year. The report says violations are most widespread in south-eastern Turkey, scene of an 11-year conflict between security forces and separatist Kurdish guertillas. It says armoured vehicles and helicopters supplied by western countries have been used in anti-insurgency operations in calls on countries exporting arms to Turkey to ensure they are not used against civilians. Amnesty adds that guerrillas of the Kurdistan Workers' party (PKK) carry out summary executions and kill civilians, despite a promise in December to observe the Geneva Conventions. John Barham, Ankara

Industrial investment on rise

The latest European economy survey, which was released yesterday, gives the most optimistic forecasts of industrial investment since 1989. Investment in industries in the EU was expected to increase by 9 per cent in volume and 12 per cent in value this year after slight declines in 1994. After a 4 per cent drop in industrial investment in Greece last year, volume is expected to increase by 33 per cent this year. In the Netherlands, industrial investments are expected to rise by 20 per cent in 1995, after falling by that much last year. Luxembourg is the exception to the rule, with the forecast of an 11 per cent drop. Overall, the survey said, "there are no discernible signs of any interruption in the economic recovery". The EU economy is expected to grow by an inflation-adjusted 2.9 per cent this year and 3.2 per cent in 1996. In sharp contrast, central and eastern European economies lag far behind and "prospects for strong growth are still not good". The survey added that the economies were still hampered by weak investment, high inflation and huge budget deficits. AP, Brussels

Bertelsmann pay-TV optimism

Bertelsmann, the German-based media group, said vesterday it expected to finalise plans for a new pay-television multimedia service, possibly by the middle of the year, after earlier attempts had been rejected by the European Commission. Mr Helmuth Runde, a spokesman for Bertelsmann, the world's second largest media group, said talks which started last December with Deutsche Telekom, the state telecommunications monopoly, Leo Kirch, the Munich-based media mogul, and other parties, were moving towards meeting some of the objections raised by the Brussels ruling. The Commission concluded that the original multimedia project, in which Bertelsmann and Kirch wanted to provide the infrastructure marketing and booking services for pay-TV through Deutsche Telekom's cable network, would prevent competitors from entering the German pay-TV market. Judy Dempsey, Berlin

ECONOMIC WATCH

German jobs trend improves

Western Germany Unemployment (million) 28 -

Germany fell by a seasonally adjusted 3,000 in January, reinforcing confidence that the improving trend evident since last summer was still intact despite a slight rise in December. The federal labour and flooding in the north of . the country for a 200,000 increase in the unadjusted figure, which pushed the unemployment rate up from section of the sectio 1993 94 95 fractionally above the level in January last year. The unad-January last year. The unadiusted figure for the east

Unemployment in west

climbed almost 91,000, driving the rate up from 13.5 per cent to 14.7 per cent, compared with 17.2 per cent a year earlier. The pan-German unemployment rate, published officially for the first time yesterday, was 10 per cent. Figures also released yesterday showed that east German consumer prices rose 0.7 per cent in January from December and were up 1.8 per cent year-on-year. Christopher Parkes, Frankfurt

 Austrian unemployment, seasonally adjusted, edged higher in January to 278,929 (4.3 per cent of the workforce) from 251,513 (4.4 per cent) in December, but was slightly down on the January 1994 figure of 285,782 (4.2 per cent).

Two days of talks fail to resolve range of contentious differences on EU expansion

Enlargement debate exposes socialist split



Caroline Southey in Brussels

A debate over how to reorganise the European

Union, while extending it to central and eastern Europe, bas exposed splits within the powerful socialist group in the European parliament. The discussion foreshadows battles between member states at the 1996 inter-governmental confer-

After two days of talks between socialist members in Brussels, Mrs Pauline Green, British leader of the group, was unable yesterday to offer clear-cut positions on a range of contentious issues on the conference agenda. But she promised to put a paper to the ote within the next fortnight. weak's debate was a paper by The main differences are Madame Elisabeth Gulgou, the

EU should adopt qualified majority voting in an enlarged Union of up to 30 members; the role of the European Commission as a quasi-government; the preservation of national vetos; the operation of a common foreign and security policy; and the necessary conditions for European monetary union.

However, a broad consensus emerged on one important point: that the EU cannot

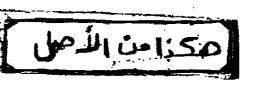
expand into eastern Europe, as well as Cyprus and Malta without an overhaul of Brussels' decision-making machinery. This, members agreed, was the biggest challenge facing the 1996 conference. The starting point for this

Her stand on Emu remained intact this week, though MEPs insisted that more attention needed to be paid to unemployment and uniform social policies in Europe. Pleas were also made for financial aid to countries such as Spain, Italy, Greece, and Portugal unlikely

to join the first group entering a monetary union. Madame Guigou, who helped

ing paper, which may be put to a vote in Strasbourg next week, would not be written in tablets of stone. In a hint of the ideological battles lying ahead, she added: "We want to be able to respond and adapt policies

but good spirited".



NEWS: EUROPE

By David Buchan in Paris

[集表記 [語字報] -

翻稿个点。

Frank .

A Park

والمرجو وبأييهموه

그램 토모스

General Annual

i indicate with

ar ar

Sec. 2010

غ حيب والآق الأ

37.5

 $-\hat{B}$

- تن

. 11-21 12-21

Campaign strategists for Mr Jacques Chirac yesterday sought to keep the presidential race an all-Gaullist affair by launching a concerted attack on Mr Lionel Jospin, the new-ly-nominated Socialist party contender and on the relevance

of left-right politics. The move came as hundreds of thousands of teachers and students went on strike yesterday over a variety of grievances. Socialist sympathy for the strike helped give it political overtones, possibly heralding tougher times ahead in the campaign for the right-wing

After the Socialists' swift and surprisingly harmonious nomination of Mr Jospin, the Chirac camp fears that the Socialist candidate may rise to push their man out of second place in the polls, behind the continued front-runner, the prime minister, Mr Edouard Balladur. Only the top two scorers in the first round of voting in April go through to the run-off in May.

Mr Alain Juppé, who is Mr Chirac's most powerful backer, as foreign minister and interim

party, yesterday called Mr Jos pin "a pure product of the socialism of the 1970s and 1980s". Others decried the traditional left-right debate as outmoded, because Mr Chirac was really now the people's urian conservatism.

"Gone are the days when the

debate was between a left which represented the common people and a right representing the well-to-do," said Mr Jacques Toubon, the culture minister and one of four in the Balladur cabinet who have sided with Mr Chirac in Gaullism's current civil war. Today, it is Mr Chirac "who thinks like the people", said Mr Tou-bon. Mr François Baroin, the 28-year-old Gaullist deputy whom Mr Chirac has chosen as his campaign spokesman, echoed the refrain that Mr Chirac provided the only radical chal-

lenge to the prime minister. However, the impression of a traditional left-right clash was reinforced yesterday when teachers and students demonstrated in Paris and some other cities. Teachers organised the one-day strike in all schools, ties, in protest at poor pay and conditions, and many students



Striking teachers and students marching on the Champs Elysées yesterday in a one-day

joined in out of concern at a recent official report recommending that universities should be given more freedom to raise their fees.

The Socialist party has always been very strong among the teachers, a fact symbolised by Mr Jospin, a for-mer economics professor and an ex-minister of education. Cabin crew at the national airline, Air France, also went on strike yesterday to protest against "chronic under-staffing". An Air France spokeswoman said the airline maintained all scheduled long-haul flights and covered 70 per cent of its medium-haul routes with

the help of chartered aircraft. Meanwhile, Mr Jospin's wider left-wing appeal became evident yesterday when Mr Jean-Pierre Chevenement, a leading ex-socialist, indicated he was attracted by Mr Jospin's sceptical view of European monetary union, while two ecologist leaders sought talks with Mr Jospin. More crucial, bowever, was the meeting last night of leaders of Radical, the left-wing party in which Mr Bernard Tapie is prominent, to determine its attitude to Mr

For their part, campaign strategists for Mr Balladur prime minister and Mr Juppé.

A recent poll showed 60 per

cent of the population wanted

wine and beer to be sold

through normal grocery stores

a move which it is estimated

would increase the number of

sales outlets from 1,000 to

But the popular mood and

candidate who might make it into the run-off, if only to avoid the embarrassment for the prime minister of continuing his fratricidal intra-Gaullist contest with Mr Chirac

until the bitter end. The longer the Balladur-Chirac contest continues, the longer it proRonald van de Krol reports on a postal service unique in the EU

Dutch mail chauvinism

in the world where it is easier to run a postal service than the Netherlands. With no mountain ranges to impede transport, no remote

villages that need to be served and no part of the country that is more than a three-hour drive from the centre, the Dutch PTT is able to deliver 93 per cent of all post by the next day, and 99.8 per cent of letters get to the correct address on the first However, it is not geography

that spells success for the Netherlands' postal service, known as PTT Post. Part of the explanation is the company's high degree of automation. By the end of the decade, 98 per cent of all letters will be sorted by machines rather than by But another key reason why

PTT Post is doing so well is that it is managing to divert international postal flows to the Netherlands from overseas. Thanks to a joint venture with the Dutch airline, KLM, the Dutch postal service flies in foreign post, mainly magazines and periodicals, in bulk to the Netherlands. It then wraps, addresses, labels and ships the magazines on to the rest of Europe, often by its own road haulage company, Truck-

net. The Dutch postal service's

trucks provide direct transport

links to more than 20 European destinations. Mr Paul Jackson, chief executive of Triangle Management Services, a UK consultancy specialising in the postal industry, says the Netherlands' lead in the field of "remailing" is due partly to the fact that they were the first European post office to start pursuing cross-border business in the 1970s. "They effectively devel-

oped the market," he says. The Netherlands' biggest competitor in European remailing is the UK's Royal Mail. whose strength is based on the wide range of destinations served by airlines using Lon-

inrow airport. PTT Post's aggressively commercial stance, far from springing from geography, seems to draw mainly on the Netherlands' own tradition of liberal-

ised postal services. PTT Post is not only profitmaking, which sets it apart from other European postal services with the exception of Britain and Sweden, but it is also stock market-listed following last year's privatisation of Koninklijke PTT Nederland. the Dutch telecommunications and postal holding company.

This special status among European PTTs allows the Dutch to be more entrepre-neurial, Mr Jackson says. They don't have the dead ernment department hanging over them," he says. PTT Post is anxious not to

reveal its remailing clients, but they are known to include US banks, which need to send statements and consumer fliers to clients in Europe, as well as US computer software companies, which like to supply users of their programmes regular updates and promotions. Other analysts have esti-

mated that 20-25 per cent of Europe's foreign periodicals pass through the Netherlands. With sales and sorting offices in the US, Canada, Singapore, Thailand, the UK and Prague, PTT Post has clearly developed into much more than a domestic mail-sorter and deliverer. In 1993, the last year for which complete figures are available. its international activities accounted for Fl 472m (\$277m) in turnover, nearly 10 per cent

PTT Post does not have the dead hand of a government department hanging over it

of total sales and a 7 per cent increase on the year before. Since 1993 the Netherlands'

2,100 post offices have been run as a 50-50 joint venture between PTT Post and ING Group, the large Dutch financial services company which owns the Postbank, the coun try's post-giro bank.

Compared with other European post offices, PTT Post has a relatively small monopoly at home. Its exclusive rights to deliver post end at letters weighing 500 grammes, compared with up to 2kg in other countries. At the same time, PTT Post's own postal rates are relatively cheap, some 10 per cent lower in real terms

than the European average. market philosophy and its emergence as an important "remailer" have started putting it at odds in other ways with fellow postal authorities

in Europe. In mid-January the Nether lands, with the lone support of Spain, blocked the adoption of olans to increase cross-border charges between European post offices.

The Dutch are also increasingly vocal champions of European liberalisation of postal traffic. By the end of the century, PTT Post estimates its monopoly on the delivery of private letters in the Nether-lands will generate just 25 per cent of its turnover, half the

Few glasses raised to Swedes' EU entry

Membership has not changed a restrictive market in alcoholic drinks, writes Christopher Brown-Humes

f Swedes were hoping that European Union membership would end the long Friday afternoon queues for over-priced drink in state monopoly off-licences, they will have been disappointed. With alcohol sales banned at weekends, the inconvenience and cost of buying liquor is set to continue indefinitely in spite of the EU's stringent antinonopoly rules.

bolaget, the retailing chain, has been allowed to retain its monopoly under a special EU exemption. High prices for spirits have eased slightly because of tax harmonisation. but there have been corresponding increases for some wines and beers.

Much bigger changes have taken place at Vin & Sprit. To comply with EU rules on free movement of goods and nondiscrimination, the company has lost its monopoly over wholesale activities and spirits production.

It opens the way for big domestic wholesale groups, such as ICA, and international companies, such as Grand Metropolitan, to grab a slice the of a SKr5bn (\$670m) a year mar-ket. Vin & Sprit expects to lose as much as 50 per cent of its business as the number of products it handles falls from 2,000 to about 500. Up to a third of its staff will be laid off. However, the group will remain a considerable force in the market, not least because it boasts Absolut Vodka, one of the world's best selling drinks, as

Chronic alcohol-abuse across the Nordic region during the 19th century is the main reason for the puritan regime, which can be found not just in Sweden, but in Norway and Finland.

We want to cut down on alcohol-related problems, covering everything from liver cirrhosis to drunken driving and domestic violence," says Mr Gabriel Romanus, Systembolaget's president. He notes that Sweden has one of Europe's lowest alcohol consumption rates at around 6.3 litres per adult a year compared with Denmark at 11.7, Germany at 10.9 and the UK at 7.4, as well as one of the lowest death rates from liver cirrhosis. Swe-

Sweden: drink and death

Residence increase in deaths relative to significal if consumetion should new ent consumption is 6.3 litres per adult per year

	Current number of deaths		Increase	n deaths	
Moesses	1,860	300	460	850	2,140
Accidents	3,360	210	330	560	1,230
Suicide	1,580	130	210	360	· 810
Homicide	130	10	20	40	100
Total	6,930	650	1,026	1,810	4,280

den's total alcohol-related rise by five litres a person if deaths have been estimated at

7,000 a year. The issue was a sensitive one in the EU accession talks, not least because there were threats that Sweden's strong temperance movement would oppose membership if the country was forced to abandon its restrictive policies on alcohol consumption.

Indeed, research commissioned by Systembolaget to support Sweden's case forecast alcohol consumption would the retail monopoly was scrapped and prices fell to German levels. This could lead to 4.300 more deaths a year and 22,000 more non-fatal assaults,

the report's authors say. Nevertheless, the policy is controversial. Opponents say the "namy state" should not be able to dictate people's drinking habits. They also point to widespread evasion of the restrictions through homedistilling, smuggling, and a buoyant duty-free industry.

the political mood are out of kilter. None of Sweden's main political parties has publicly campaigned for an end to the Cynics say the Social Demo-

cratic government has little incentive to change a system year in taxes - more than one ner cent of GDP - at a time when it needs to plug a huge hole in its finances. But even the opposition right-wing Moderate party,

which is firmly opposed to most monopolies, is silent on the issue. "It's hard to explain," shrugs Mr Ulf Kristersson, a Moderate MP, "Swedes have some kind of hang-up on alcohol." He acknowledges that formal abolition of the system looks unlikely.

The regime may, however, gradually wilt under pressure

Danes have been buying large quantities of cheap wine and beer in neighbouring Germany, forcing domestic prices down-Sweden was careful to gain an exemption from the normal

from external influences. This

has happened in Denmark

since it joined the EU because

EU rules on duty-free allowances, but even so the amount of duty free wine and beer that Swedes may bring into country has gone up sharply since the New Year.

This leads Mr Romanus to expect that "it will gradually become more difficult for us to carry out our price policy", but he is adamant that the other deterrents, including limited availability, will remain in

The other threat to the policy is a legal one. Indeed one disgruntled Swede has deliberately flouted the alcohol sale rules in the hope that the EU court will decide that the Swedish system is an unacceptable infringement of the Treaty of Rome. If he wins his case, Sweden's century-long restrictions on alcohol sales could be

IN PERU, THE TIME IS NOW



IF YOU MISSED MANY OPPORTUNITIES IN 1994

Canariaco-Jehuamarca/Las Huaquillas - Fábrica de Cartón Corrugado Chillon - Compania Minera Especial Mishki -Cemento Yura S.A. - Certificaciones del Perú - ENTEL - CPT - La Granja - Lar Carbón - Refinería de llo - Complejo Cartavio - Terminal Matarani - Frigorifico Arequipa - Cementos Lima - San Antonio de Poto - Edelnor - Edelsur - Interbanc - Colpar/Hualatán/Pallacochas - SIA - NISA - Tintaya - Refinería de Cajamarquilla -Pescaperú (Chicama, Mollendo, Chimbote) Emsal.

AND SHREWD INVESTORS TOOK ADVANTAGE OF THEM

Serfin - Sipesa - Inga - Shougang - Mantos Blancos - Serminco/Aeroméxico - Petrotech - Mittienwald - Grupo Credito - Gleinpoint Enterprises - Cyprus - Envases Nishii - Ind. Suizo Peruana - Placer Dome del Peru - Licar - Gioria - Drokasa - Telefônica Internacional de España - Cambior - Cementos Lima - Southern Perú - Grupo Fierro - Endesa - Chilectra - Enersis - Cosapi - Ontario Hydro - Chilquinta - International Financial Holding -Minera San José - Magma Copper Co. - International Fish Protein - Quimpac - Aldeasa - Cominco - Marubeni:

MORE ATTRACTIVE OPPORTUNITIES STILL ARE AVAILABLE DURING 1995

Bayovar (Phosphate deposits) - Cemento Andino - Cemento Sur - Cementos Norte Pacasmayo (Cement Industry) Centromin (Mining and metallurgic company) - Banco Continental (Banking and financial services) - Copes (Fishmeal and canned fish) - Corpac (Airport Services) - Edegel - Electroperu (Power generation) - Enafer (Railroad services) - Enapu (Port Services) - Entur Peru (Hotels) - Epsep (Cold storage plants) - Fertisa (Fertifizers) - Berenguela - Michiquillay (Copper deposits) - Pesca Perú (Fishmeal plants) - Petroperú (Oil, natural gas and oil-derived products) - Popular y Porvenir - Reaseguradora Peruana (Insurance) - Siderperu (Steel producer) - Sedapal (Water and Sewerage service)

YOU SHOULD BE ONE OF THE NEW INVESTORS TAKING ADVANTAGE

FOR PRIVATIZATION OPPORTUNITIES

Av. Las Artes 260 San Borja, Lima 41, Perú - Phone (51-1) 430-0660 - Fax (51-1) 475-0078

Boesak 'misused

aid agency funds'

Israel rules out devaluation of shekel

Israel's central bank has rejected a one-off devaluation of the Israeli shekel, in spite of growing pressure for such a move from manufacturing

In an interview with the Financial Times, Mr Jacob Frenkel, Bank of Israel governor, said: "I am not going to upset the very stability of the economic system to suit one sector or one interest group."

At the same time, he criticised the recent cancellation of an unpopular capital gains tax on stock market profits as "unfortunate", saying it had hurt the government's credibility. He warned ministers against being tempted to make short-term policy for popular gain before next year's

"The exchange rate regime is the core of our stability," Mr Frenkel said. "It gives certainty to industrialists to make plans and forecasts. In an economy wishing to stabilise and fight inflation this is an extremely important pillar."

Mr Frenkel's comments signal the determination of the central bank to maintain its tight monetary policy, using high interest rates to fight inflation, which reached 14.5 per cent last year. He urged the government to hold firm against pressure for an early devaluation, sharply criticising the growing populist economic lobby inside and outside the government ahead of the elections.

Israeli manufacturers argue that a devaluation is essential to restore export profitability. They say last year's depreciation of the shekel against the dollar of only 1.1 per cent meant a severe loss in competitiveness.

Mr Frenkel maintains that although the shekel depreciated only marginally against the dollar, it depreciated by 6 per cent against the

basket of currencies to which it is pegged and by 12 per cent against the D-Mark. Exports, almost half of which go to Europe, remained buoyant. As for inflation, the biggest contributory factor was the increase in housing costs, which do not affect manufacturers directly.

The governor was optimistic there was a growing anti-inflation lobby in Israel which would support the bank's continuing tight monetary stance and he said data were beginning to show that inflationary expectations were coming down. But he said it was still ature to declare victory. "If and when I am convinced that I

18,5br

am solidly on the trajectory consistent with an inflation target of 8-11 per cent, then a gradual reduction of interest rates might be warranted," he said. "I want this to be transparent and absolutely clear to the market."

Mr Frenkel said there had been clear signs of over-heating in the economy last year, with growth of 6.7 per cent, a rapid fall in unemployment and a sharp increase in public and private consumption. "We needed to slow the economy down to achieve sustainable growth," he said, forecasting a growth rate of

between 4 and 5 per cent this year.

Tornado/Al-Yamamah deal

contract with France. It is to

spend \$6bn on a new fleet for

its airline. Saudia; \$4bn to

expand and modernise the tele-

communications system; and

some \$10bn over the next five

years on increasing electricity generation and water desalina-

tion. Then there are billions of

dollars reported to be outstand-

ing to government suppliers

Since 1988 the government

has accumulated annual bud-

get deficits of more than \$90hn. Much of this has been paid for

by running down reserves and

by borrowing domestically.

Both of these doors are now

shut. Last October one leading

international insurer, quoting

the "very grave" Saudi finan-

cial situation, restricted

short-term export credit cover.

Recent state and semi-state

borrowings had to be man-

with the UK. Last November it signed a \$3.7bn naval defence

Mr Allan Boesak, the South African church leader and ambassador-designate to the United Nations in Geneva, has been found responsible for misappropriating funds from aid agencies, according to the result of an investigation reported by AFP in Cape Town. The news agency reported that an investigation carried out by a Johannesburg law firm said Mr Boesak had enriched himself substantially. The report said the trustees of the Foundation for Peace and Justice had carried out their duties

INTERNATIONAL NEWS DIGEST

in a "cavalier and reckless fashion". Mr Boesak has denied impropriety and he claims that his financial affairs were being handled by the foundation's direc-tor. The investigation report said: "He justifies a monthly income - far in excess of what can reasonably be expected and numerous other benefits - by saying he left his personal affairs to others." This, said the report, was not a plausible

The investigation had looked into the use of some \$762,000 (£490,000) donated by Scandinavians. President Nelson Mandela suspended Mr Boesak's appointment to Geneva pending the outcome of the inquiry. Roger Matthews, Johannesburg

Kuwait to cut budget deficit

Kuwait wants to cut a Gulf war-bloated budget deficit by almost a third in 1995-96, Mr Nasser al-Rodhan, finance minister, was reported as saying yesterday. He told al-Watan newspaper the government expected to earn 14 per cent more from oil in the year from July 1 and its crude should fetch \$1 a barrel more than in the current year. Mr Rodhan said his proposed budget projected a KDL088bn (22.3bn) net deficit, 27 per cent below the deficit projected for fiscal 1994-95. He gave no indication as to how the deficit would be financed.

The deficit mushroomed after Kuwait's liberation from Iraqi occupation because of heavy spending on war costs, reconstruction and rearmament at a time when its oilfields, source of most state revenue, were out of action or producing at low

Algerian FIS leaders missing

Algeria's Islamic Salvation Front (FIS) said yesterday it no longer knew the whereabouts of its two top leaders. Mr Abassi Madani and Mr Ali Benhadi were released from jail last September and placed under house arrest. People close to the FIS say they have not heard from the two leaders since last week's bomb explosion in Algiers. Members of the FIS's consultative council, who visited Mr Madani and Mr Benhadj every day, have not been allowed to see them for a week. Some reports suggest that Mr Madani, who suffers from an ulcar, may be in hospital. The London-based Arabic daily Al-Hayat, however, says the army-backed authorities, judging

that the two leaders have done little to reduce the violence, have sent them back to prison. Roula Khalaf, London UN sends mission to Burundi

A United Nations fact-finding mission to Burundi and Rwanda is expected to leave New York tomorrow amid fears that Burundi may suffer a repetition of the slaughter that deci-mated Rwanda last year, diplomats said.

In Rwanda, Tutsis dominate the government after fighting their way to power last year following slaughter of their kinsmen, mainly by militant Hutus. But in Burundi the Hutus dominate a coalition government which the main Tutsi-domi-nated opposition party has threatened to overthrow by force. Reuter, New York

Saudis poised to change habits of a lifetime

If economic reforms go ahead, the royal family's grip will loosen, our Middle East Staff reports

The ruling family of to repatriate some of the Saudi Arabia, owners of 25 per cent of global oil reserves, linchpin of western energy security interests in the Middle East, and victim of a prolonged cash crisis caused by rising expenditures and took its first tentative steps

into the unknown. If King Fahd Ibn Abdul-Aziz Al-Saud sticks to the programme outlined by the International Monetary Fund in its latest staff report, he will have to release the grip he and his family have on the country. If he ignores even part of the IMF's recommendations, and the deficits continue, there will, says the IMF, be "serious consequences for the economy and the sustainability of the exchange rate".

A measure of the king's leadership will be whether he can loosen financial control without losing political authority. If the IMF prescriptions are followed, Saudi Arabia's 12m citizens will end up, for the first time, paying market prices for all public services. The government will be selling off state and quasi-state companies to the private sector. It will be creating a freely com-petitive market to provide job opportunities for the country's "growing populations". It will encourage commercial banks to hold shares in manufacturing industries. It will entice foreign investment and provide incentives for wealthy Saudis

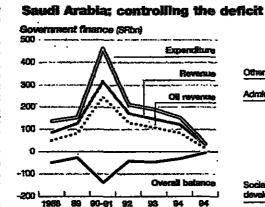
\$300bn (£192.8bn) they keep abroad.

Saudi bankers say the IMF's recipe for fully-fledged privatisation entails the creation of a new legal framework, transparency of ownership, public accountability, and an efficient stock exchange to ensure, in the IMF's words, "a widening and deepening of the financial and capital markets". The state - the ruling family - will have to give up its pre-eminent role in the life of every citizen as money and power inexorably move away from the centre.

Initial reaction to the budget has been positive. Diplomats in Riyadh speak of "widespread acceptance among Saudis that the price hikes are necessary" and that the king "was right in making people aware of the

But King Fahd has not told the public the reality of what is in store: almost immediately after the budget he told the new session of the country's nominated consultative assembly that increases in public ser-vice charges were "temporary". He talked about a budget based on rationalising spending "without affecting the life of the people". But in the IMF's opinion, the budget cuts are only the first step in a process of state deregulation which will change the lifetime habits of every Saudi.

Like the other Gulf states, Saudi Arabia is in effect a private state "company" belong-



ing to the ruling family. The all either committed or exist only on paper.

More than a third, the IMF head of the family owns the principal assets: oil and gas. In return for having no say in how the "company" is mansays, is needed to cover the issue of the currency, another aged, Gulf citizens have third is held against letters of credit, mainly for public sector imports. "Neither portion is at remained content with handsome dividends in the form of free public services paid out of the disposal of the government and, therefore, is not available inflated oil prices. But now the "company" has abundant assets but no cash flow; and, for its use." The final third includes "claims on certain developing countries which are according to the IMF, no more

The IMF's latest report conintention of repaying. tains three essentials. First, econd, the IMF says, parthe kingdom has run out of liquid overseas assets, reserves State subsidies are not it can draw down in an emergency. Before the 1990/91 Gulf enough. It wants "the early elimination" of subsidised credit through the specialised credit agencies, and a blanket war, it could boast something near \$120bn. Now they are down to \$64.9bn, impressive "re-organisation of public expenditure priorities". These enough at first sight were it not for the fact that they are

either bankrupt or have no

measures would lead to self-sustaining growth based on wholesale privatisation and the creation of an investment climate favourable enough for the current account deficit to be financed by private capital

1994 budget expenditure

Total: SR160ba

Third, the IMF makes the gloomy prediction that even if recommendations are carried out, the budget deficit will not improve because of continuing weak oil prices.

To make matters worse, the kingdom is already committed to \$30bn in capital expenditure. It has ordered \$30bn worth of weapons from the US, on which payment of \$9.2bn was rescheduled last February beyond the original two years. It has to find, from oil deliveries translated into cash, more than \$20bn to pay for the

dated under English law because international banks are not happy with lending

under Sandi jurisdiction. The good times are over. Dissent, in the form of what the authorities have described as "seditious" pamphlets and unauthorised public gather-ings, has surfaced in the last six months in Bahrain, Oman, and Saudi Arabia itself, resulting in hundreds of arrests. Possibly the greatest task con-fronting Saudi Arabia is for its ruling family to have the courage to bite the bullet.

First world TV service in Chinese next year

By James Harding

The first worldwide television service in Chinese is due to come on air early next year, when China Central Televistarts broadcasting from a global satellite network.

The agreement announced yesterday to use PanAmSat, the US-based satellite service provider, will enable CCTV to reach an audience of more than 40m Chinese speakers living outside China. CCTV, which already broadcasts in Asia from a PanAmSat satellite, will also offer 24-hour programmes to audiences in Europe, Africa and America once PanAmSat's Atlantic Ocean region satellite is launched in December. Mr Andrew Jordan, PanAm-

Sat's regional vice-president for Asia, said CCTV's aim was "to provide a service for peo ple living overseas to keep in touch with what's happening in China and, in particular, a cultural springboard for keeping the children of Chinese people living abroad in touch". PanAmSat will provide one channel on its Pacific Ocean service satellite and two on the Atlantic Ocean satellite for at least five years, allowing CCTV to provide a state news service as well as a range of Mandarin Chinese entertainment programmes.

CCTV began broadcasting to Asia and parts of North America at the end of last year using PanAmSat's Pacific orbiter, PAS-2. The Atlantic Ocean orbiter, PanAmSat 3, was due to start service last December but a launch failure forced PanAmSat to postpone take-off by 12 months.

PanAmSat offers services in over 85 countries. Its PAS-1 orbiter, launched in June 1988. transmits more than 60 full-time television channels in Latin America. PAS-2, the Pacific Ocean service, began in August 1994. PAS-4 will be launched over the Indian Ocean in mid-1995.

Chinese speakers in Europe currently receive five hours of late-night Chinese language programming if they subscribe to the Chinese Channel, a private satellite broadcaster.



Business sees red over piracy

Simon Holberton on Hong Kong's struggle against counterfeiting

r Gary Tse, the manstore at the Golden Shopping Arcade in the New Territories suburb of Sham Shui Po, knows he is fighting an uphill battle. "They can put everything on CD-Rom these days," he says.

Mr Tse specialises in selling software and printers. He is currently trying to sell authentic versions of Encarta 95, a CD-Rom encyclopaedia developed by Microsoft, the US manufacturer of software for per-sonal computers, for HK\$440 (US\$56.90). But Mr Tse has not sold many copies; one floor below shoppers can buy a copy of Encarta 95, made just across the border in Shenzhen, for

To add insult to injury even Software Collection, the name of Mr Tse's company, has been purloined by the software counterfeiters. In the Golden Arcade a two-CD compilation of 70 computer programmes is being marketed under the name "Software Collection". The CDs are being sold for HK\$600, but contain programmes which, if bought legally, would cost closer to HK\$200,000.

It is in shops like Mr Tse's and shopping centres like the Golden Arcade that the current trade dispute between the US and China about the protection of intellectual property becomes real. Counterfeiters are making lots of money at the expense of legitimate vendors and the companies whose products they sell. China this week responded

to a US offer of further talks on intellectual property rights and more negotiations will take place in Beijing next week. Ms Stephanie Mitchell, vice-president of the Business Software Alliance, a group which brings together computer software manufacturers, says the Chinese government misjudged the level of anger in the US

sure from the US to stop the flow of pirated CDs through the colony and within its bor-Frustration over piracy of the US film The Fugitive spilled into China's newspapers yesterday in a timely illustration of the state of intellectual property protection, Reuter reports from Beijing. In a notice in the People's Daily, the state import monopoly ChinaFilm denounced what it called "serious violations" of the film's copyright by local cable television stations and videotape factories

The attack gave new evidence that piracy is committed not only by rogue manufacturers churning out bootleg compact discs and videotapes, but also by units of the government. All broadcast and cable television stations in China are owned by the state. An official in ChinaFilm's legal department said the wide scope of piracy called for sweeping enforcement and that China's new intellectual property courts had yet to bare their teeth.

"This is a completely business issue. We want them to shut down the manufacturers [of counterfeit software] and then raid and shut down the retailers and continue to do it," she says. She estimates the loss to US software manufacturers is up to US\$400m. The US has presented the Chinese government with a list

of 29 factories which it claims are making 75m pirated CDs a year, or 25 times China's domestic demand. Some analysts have said the problem of piracy is so widesuread in China that the Beiting government is virtually powerless to stop it. Ms Mitch-

ell counters by saying that if

ders. Mr Mickey Kantor, the US trade representative, said in Washington last week that Hong Kong and Taiwan should do more to curb the circulation and distribution of counterfeit software and music CDs. US officials in Hong Kong

these factories were producing

"subversive" literature the Bei-jing authorities would have lit-

tle difficulty in closing them.

"It is matter of will, not

Hong Kong, where the govern-ment is under increasing pres-

The same could be said of

resource." she says.

believe Hong Kong's legal penalties for counterfeiting are inadequate. They have, however, taken encouragement from a government promise to consider bringing forward from next year to this year a planned revision of the law. Hong Kong has stepped up its efforts to curb the distribution of counterfelt goods, albeit from a low base. Last year it prosecuted 76 individuals for

trafficking in counterfeit CD-Roms, up from only two in 1993. Last year some 5,406 CD-Roms were seized by customs. For retailers like Mr Tse the government is not doing enough. "They do not respond

when I complain," he says.

"All we have to sell is knowledge," says Ms Mitchell, who is also Asia-Pacific legal counsel for Auto Desk. a US manufacturer of computer-aided design software.

"Software Collection" offers copies of three of her compa-ny's products, each of which would retail in the US for about US\$4,000. She says the production of pirated software in China is far in excess of consumption on the mainland and is being exported. "It is going around the world; piracy is no respecter of borders."

Microsoft is a particular tar-et for the counterfeiter. It is taking legal action in Shenzhen against a company which has counterfeited the hologram Microsoft applies to its prod-ucts to signify their authenticity. Mr Laurie Kan, the company's managing director, says counterfeit products bearing the fake hologram have been found in Hong Kong and else-

To Microsoft's fury the counterfeit version of Encarta 95 was on sale in Hong Kong weeks before its official launch last December. Mr Kan says the flow of counterfeit CD-Roms in the colony has become a torrent. "It is by far the most serious threat to the local legitimate software industry

Dubal to double cast metal production

By Robin Alien in Abu Dhabi

Dubai Aluminium Company (Dubal), the Guif's leading pro ducer of billet and high-grade alloy, is to spend \$500m to double production of cast metal to 375,000 tonnes a year. Construction work on the twoyear programme will start at the end of this month.

Dubal will put up half the financing. The rest is being

raised under a five-year syndicated loan underwritten by Merrill Lynch, to be presented to banks today.

Mr Ian Rugeroni, Dubal's chief executive, said bids for the two extra turbines were already being evaluated and tender documents for 60 other components including power, civil construction and cast works were being issued. Dubai will be its own manage ing contractor. Overall consul

tant is Admont of Montreal. Mr Rugeroni, a former exec-utive of Aluminium Company of Canada, said the expa of the pot cells, carbon plant and casting facility would be completed with Dubal's own technology. Known as CD200, it was developed by Dubal and Australia's Comalco.

National Bank of Dubai and Emirates Bank International both owned by the Dubai government, are co-arranging the loan for the balance. The "stand-alone" deal - without a government guarantee – is the first to be arranged for the industry in the Gulf.

Dubal indicated that the derivative-linked loan was dependent on future prices and involved hedging against purchase prices already secured by Dubai for its raw material. The hedge also gives Dubal a price-floor of \$1,750 per tonne, below which the repayment rates will be reduced. The five-year loan is six-month floating rate note at 50 basis points above Libor. Repayment will be in six instalments starting 2½ years from the drawdown date at the end of next March.

Dubal last year produced over 273,000 tonnes of castmetal. Nearly 40 per cent of sales went to Janan, with most of the rest to Korea and WORLD TRADE NEWS DIGEST

Swiss buyer for Ukraine concern

Ukraine yesterday finalised its first open tender sale of a state-owned company to a foreign investor. Kraft Jacobs Such-ard (KJS), the Swiss confectionery and coffee producer, acquired an 88 per cent stake of the Ukraina Chocolate Fac-tory in Trostianets. The \$25m deal is the first strategic investment in Ukraine's confectionery market and puts KJS among the former Soviet republic's 10 biggest foreign investors.

Until now, western business entered the second largest Soviet republic through joint ventures, start-ups, greenfield investments and a tiny secondary market. Total direct foreign investment remains low at \$366.4m for the first nine months of last year, according to the statistics ministry. The US and Germany account for 40 per cent of investment. Matthew

Kobe prefab homes ordered

Schal Bovis, a subsidiary of the British construction company Bovis, has won an order for 500 houses to be built as temporary homes for some of the 270,000 people who lost their homes in last month's earthquake in Kobe, Japan. The houses, to be made mainly by the British company Tilden to a plan being developed in Japan, will be shipped from the UK using panels in brook-down to the contraction to be the least by least in knock-down form, with construction to begin by local Japanese contractors in early March. Under the government plan, 1,000 prefabricated houses will be imported to make up for the shortfall in temporary housing that can be provided by domestic manufacturers. The houses are expected to be torn down after two years. Michigo Nakamoto, Tokyo

 Samsung Electronics, a unit of South Korea's Samsung Group, said it would sign a \$42.5m joint venture deal next Monday to produce white goods in the Chinese region of Suzhou. Samsung Electronics said it would hold an 80 per cent stake and its Chinese partner Suzhou Xiang Xuehai Electric Appliances the remaining 20 per cent. Production, mostly of refrigerators and microwave ovens, will begin this July for sale in China. Reuter, Seoul

■ Diversified Resources Berhad of Malaysia has signed an agreement with Kawasaki Heavy Industries and Nissho Iwai to design and make a Malaysian motorcycle. The partners intend to set up a factory in the north Malaysian state of Kedah with a capacity to produce 350,000 motorcycles a year for both the domestic and export markets. DRB said it would hold 70 per cent of the issued and paid-up capital of the joint-venture company, with Kawasaki and Nissho lwai holding the remaining 30 per cent. Reuter, Kuala Lumpur

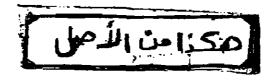
Piaggio of Italy and India's LML will invest Rs2hn (\$65m) to build the world's biggest scooter plant, in the north Indian city

■ Norway's state oil company Statoil has signed a letter of intent with the Malaysian Petronas state oil company and US company Conoco for 15 per cent ownership in a Malaysian refinery. Statoil said the tentative deal involved Petronas' Melaka II refinery, which will come on stream in 1998. Melaka I came on stream last year. Reuter, Oslo

of Kanpur. Reuter, Kanpur

■ Saab-Scania of Sweden said its truck and bus unit Scania had received an order for 10 double-deck buses from Kowloon Motor Bus, one of three companies that manage city transpor tation in Hong Kong. The order represents Scania's entry into a market dominated by two companies. AFX, Stockholm

■ The Philippines has rejected a proposal by Occidental Energy Ventures, an affiliate of Occidental Petroleum subsidiary Midcon, to convert two unused power plants into gas-fired plants. OEVC proposed converting the 620MW Bataan nuclear power plant and the 850MW Sucat thermal power plant into natural gas plants but the Energy Ministry said this would lead to overcapacity and a rise in rates. Reuter, Manila



Boesak misus

14 A 1

A CALLES

Registration of the second of

The second secon

Swiss buyer! Ukrame con

005000

We have a vision for business people all over the world; that better communication will build their business relationships and that they will prosper as a result.

Communication is our business, and we believe it can make a difference to yours

That's why we have dedicated ourselves to building the outstanding global communications network and a unique portiolio of products

and services to match our customers' needs.

We have set up Concert with our global partner MCI to make fully integrated global communications a reality.

In other words ours is a real network not a patchwork of domestic operations; it means our global customers can benefit from unrivalled flexibility, reliability and quality of service. We are independent

and free from vested interest, leaving us free to recommend the best systems for your needs. And we are open for business now.

We've made it our business to provide the best communications solutions to our customers so that we both continue to prosper.

If you believe in the power of good communication, let's talk.

Call us on +44 117 921 7721.

Global communications

BT is a trademark of British Telecommunications plc. Concert is the trademark of the Concert Communications Company

Cable &Wireless &ptnrs.

No, we haven't suddenly changed our name. We remain, yours faithfully, Cable and Wireless plc.

But look beyond the name on the door and you'll discover a very different company indeed.

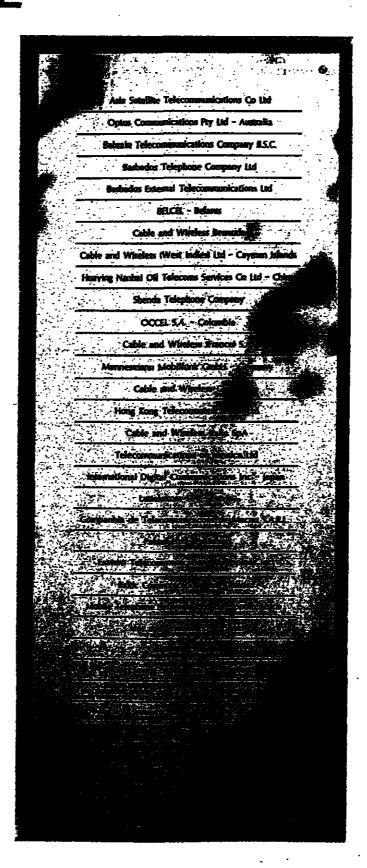
In fact, even "company" might be the wrong word.

We're a Federation. An alliance of free thinking and largely autonomous companies working together globally but encouraged to operate locally.

Far from sitting in our ivory tower pulling global strings we're happiest encouraging local companies with local people to develop local solutions.

(And if a project would best be served by us holding a minority interest, then that's what we'll do.)

At the moment we're working with more than fifty partners including around a dozen Governments, numerous local companies and over twenty five other



telecommunication groups.

Take Hongkong Telecom for example.

Over the past few years this company has established the world's very first completely digital system in a major city.

(Right on the doorstep of the world's largest emerging market, China.)

So effectively is it run that subscribers are offered local calls absolutely free.

Video on demand is being tested among real customers.

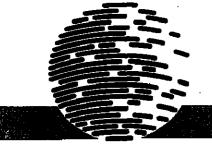
And a firm commitment to technology has allowed them to build the second biggest fax network after Japan.

Clearly, it's a system so sophisticated that only local people with intimate local knowledge and experience could ever have set it up.

If we sound like the sort of company that you could work with, or you would like to find out a little more about the way we operate fax us on +44 171 315 5052.

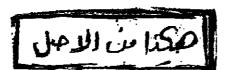
We may already have more than fifty partners around the world. But we're always on the look out for more.

异 有抗菌



THE CABLE & WIRELESS FEDERATION

An alliance of the world's most creative communications companies.





بكناس الاجل

'It's just a few hundred folks trying to share out \$2bn'

Jurek Martin and George Graham on the dispute Jimmy Carter declined to try to solve

President Bill Clinton was ready last night to swing the chief executive's but to try to force a sattlement of the clinton was ready last night to seem to find a voluntary agreement between the parties," Mr Usery said. force a settlement of the six-month base-

The president had extended his original negotiating deadline of 5pm on Monday - 100th anniversary of the birth of Babe Ruth, the legendary slugger - for the 28 team owners and striking players to end their complex dispute, which cut off the sport's last season in August and threatens the existence of the season due to start in

But Mr William Usery, the former labour secretary Mr Clinton has appointed to mediate in the dispute, could not persuade the owners and the players even to meet on Monday. Assuming no bottom-of-the-ninth-inning breakthrough, Mr

The gap between the two sides remained wide

sterday, in spite of modest concessions offered

by both over the weekend.

The owners, under legal pressure, withdraw the team salary cap imposed last year and the players lifted their prohibition on union members signing contracts, only to find the owners forbidding teams from signing such contracts

prior to a settlement. Disagreements among the owners have contributed to the stalemate, particularly over the critical issue of revenue-sharing between the

Some owners object to the proposal to start next season with "replacement" players from overseas and the minor leagues. The Montreal Usery was expected to present his own proposals for settling the strike yesterday afternoon.

"I refuse to be pessimistic, although it is very law from hiring replacement labour.

"It's just a few hundred folks trying to figure out how to divide nearly \$2bn. They ought to be able to figure that out," Mr Clinton said. Mr Robert Reich, the secretary of labour, said on Monday that nothing less than the "national morale" was at stake

There seems only a small chance that whatever Mr Usery proposes will be acceptable. Mr Clinton, therefore, may ask Congress to pass a law subjecting the dispute to binding arbitra-

economic impact on not only the citles housing major league teams but on Florida and Arizona nomes for the spring training season starting in

Leading Republicans, however, have increasingly argued that the government should stay out of what they see as a regular labour dispute.
"I think disputes between labour and manage-

ment ought to be resolved between labour and management," said Congressman John Boehner of Ohio, who chairs the House of Representatives Republican caucus.

Some administration officials believe, nevertheless, that even a non-binding sense of Congress resolution could exert enough pressure to

Mr Clinton has been dismissive of both sides, likening them to wealthy individuals fighting over a large pie at the expense of the paying

Former president Jimmy Carter, who offered ediation, said he concluded that both were too selfish to waste time and effort on. Public opinion, however, has shifted more to blaming the players, whose average pay last year topped

AMERICAN NEWS DIGEST

Brazil restores high car tariffs

Brazil has reimposed high tariffs on car imports following worries about the trade balance and complaints that its car industry needed more time to improve its products and compete with foreign imports. The move disappointed some analysts, who said it was a setback for the government's opening of the economy to foreign competition, a policy put in place after last year's launch of the Real currency. However, offi-cials stressed that the car industry was a special case and that the government remained determined to increase foreign com-

petition elsewhere in the economy.

The tariff on imported cars has been increased from 20 per cent to 32 per cent. Ms Dorothéa Werneck, the industry minis ter, said the tariff would fall 2 percentage points each year to reach 20 per cent in 2001, to comply with an accord with Argentina as part of the Mercosur customs union. Angus Foster, Brasília, and Patrick McCurry, São Paulo

Air force chief 'to head CIA'

President Bill Clinton is expected to name former Air Force General Michael Carns to head the Central Intelligence Agency. The appointment of a new CIA director is particularly sensitive because of widespread criticism of Mr James Woolsey, who resigned as director earlier this year, for his failure to shake up the organisation after the discovery of a Russian mole, Mr Aldrich Ames, in the heart of the agency's counter-

intelligence operations.

An outsider has been sought to shake up the CIA, which the Senate intelligence committee described in its report on the Ames case as "a bureaucracy which was excessively tolerant of serious personal and professional misconduct among its employees, where security was lax and ineffective". Gen Carns, 57, served as a fighter pilot in Vietnam and earned an MBA from Harvard Business School. He became director of the Joint Staff at the Pentagon and vice chief of staff for the Air Porce. George Graham, Washington

Tesobono auction is successful

The Mexican government yesterday successfully auctioned \$240m in new tesobonos, the dollar-linked securities that have been at the centre of the country's financial crisis. The successful sale, a sign that some foreign investors have ruled out the possibility of exchange controls now that a \$50bn international financial support package is in place, was coupled with lower interest rates compared with recent auctions. Last week's auction was cancelled for lack of demand.

Officials at the state-owned development bank, Nafin, said that all the new tesobonos had been sold to foreigners, with 95 per cent going to US banks. European banks bought the remaining 5 per cent. The 91-day paper was auctioned at 15.4 per cent, almost 10 percentage points lower than the previous auction, while 182-day paper was sold at 17.1 per cent. However, rates for one-year tesobonos remained high at 20.75 per cent, only 0.65 percentage points lower than two weeks ago. Ted Bardacke, Mexico City

Argentine growth rate slows

Argentina's economy grew at a slower 5.5 per cent a year in the July-September quarter of 1994, down from a 6.9 per cent growth rate in the second quarter and 8.2 per cent growth in the first three months of the year. While average growth for the first nine months of the year remained at a robust 6.8 per cent the figures confirmed Argentine economic growth was

Congressmen clash over budget plans

Democrats and Republicans clashed fiercely on Capitol Hill yesterday as debate began on the 1996 budget President Bill Clinton presented on Monday. Republicans repeated their

criticism that Mr Clinton's budget showed "an abdication of leadership" by failing to tackle the growth of entitlement spending (such as federal healthcare and pensions) and failing to present any plan to reduce the deficit to zero.

But administration officials and Democratic senators fired back angrily, arguing that they had spelt out a budget path that would reduce the deficit to 1.6 per cent of gross domestic product over 10 years, and charging that the Republicans had had plenty of time since they won control of Congress iast November to come up with their own budget plan.

occurred. Further spelling out do a better job is not unrealistic or unfair to ask for. And all all how you'd pay for it," said Senator trough of \$192.5bn in 1995 to Christopher Dodd, chairman \$213.1bn in 1997, before settling

in the second

MANAGE TYPE

elivels =

A CALL

Partition 1

and them

A THE STATE OF

MAN EXE

married ...

建油液 在 3.3 500

Ms Laura Tyson, who chairs the White House council of economic advisers, testily added her jeers: "People are talking about getting the deficit down, they are talking about getting entitlement spending under control. There

is not a single proposal."

The clashes, unusual for congressional hearings, seem likely to set the tone for a bitter argument over the budget, with little pretence at bipartisan co-operation. "I guess the budget so-called debate has begun. It kind of reminds me of the mating dance of the whooping crane: a lot of movement, but nobody touches anyone," said Senator James Exon, the senior Democrat on the budget committee, warning that Republicans command only 58 Senate votes - short of the 60 needed to break a fili-

At the heart of the dispute is "It's been almost four the administration's decision months since that event to aim for a deficit that declines only in proportion to in some detail how you would the size of the economy - dropping from 2.7 per cent of GDP this year to 2.1 per cent in 2000 we've had is the proposal to and 1.6 per cent in 2005. In cut taxes by \$200bn and no absolute terms, the deficit is trough of \$192.5bn in 1995 to

three years of the century.

Mr Robert Rubin, the treasury secretary, said the administration had tried to balance further deficit reduction with mitigation of income inequality through its proposal for a tax cut aimed at middle

income families and to provide new incentives for education and training.
Administration officials said they were keen to address the long-term growth in entitlement spending, primarily health benefits such as Medicare, but only in the context of healthcare reforms. Republicans. however, fear the president has passed to them the

responsibility for proposing

unpopular cuts in Medicare

and other middle class entitle-

ment programmes.

President Clinton urged Congress to approve his proposed extra \$1bn spending to counter illegal immigration, AP adds. He also signed an executive order directing federal agencies to give priority to the crackdown on illegal immigration. Initiatives proposed in the budget would add \$1bn in spending to reinforce the Bor-der Patrol and US Immigration climb from a and Naturalisation Service.

Traders condemn plan to tax futures

By Laurie Morse in Chicago

The Clinton administration's plan to raise \$59m a year in the new budget by imposing a tax on futures and options transactions is predictably being opposed by the US's largest futures exchanges, which fear higher costs will drive business overseas. The Clinton budget released Monday would impose a 10-cent transaction fee on each futures and options contract traded on a US exchange.

Exchange leaders lost no time in vociferously opposing the budget plan. Mr Jack Sandner, chairman of the Chicago Mercantile Exchange, said that business conducted at his exchange could move overseas "in a nanosecond" if costs, including taxes, moved in favour of foreign markets. Likewise, Mr Patrick Arbor, chairman of the Chicago Board of Trade, said the transaction tax proposal "seriously icopardises our industry's fragile competitive advantage

Allied with the exchanges in their opposition to the tax are the nation's big brokerage speed up deportations and provide money for border states.

firms, which market futures budget-balancers. Last year and options products to the 527m such contracts were



Jack Sandner: business could move overseas "in a nanosecond"

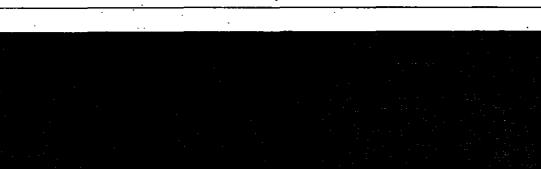
public, and which own memberships on the exchanges. The influential group of banks and investment houses that deal in over-the-counter derivatives is also expected to attack the tax plan.

OTC derivatives dealers are among the largest users of US listed futures and options contracts, regarding the exchanges as a sort of wholesale market for laying off risk from private trades.

Rapid growth in the US futures industry has long made the futures exchanges attractiv

traded, sustaining a 25 per cent annual growth rate for the industry. However, the futures exchanges' considerable clout in Washington is expected to keep the proposal from passing Congress. The futures industry has

faced down four similar transaction tax proposals in the past six years, three times under the Republican administration of George Bush and once before in a Clinton budget. Each time the exchanges have successfully argued that the financial services they pro-



11 000 000

With so many clients worldwide, we have acquired such diversity of experience that we can be confident in the commitments we make.

you can rely on us



This figure speaks not only of AXA's size, as one of the world's insurance leaders. For us it translates into a rare, perhaps unique efficiency.

These clients live on three continents. in 16 countries, each of which has a different culture and different retirement problems. Cross fertilization, as we practice it through specialized international synergy committees, has been instrumental in helping us devise innovative and thoughtful solutions...

Our experience as the fourth largest insurance group in the world, based on funds under management, having being entrusted with more than \$220 billion, testifies equally to our performance and our strength.

So you can see that we are not speaking lightly when we say : "Go ahead. You can rely on us".

INSURANCE & INVESTMENT

China 'could not dismantle state sector'

By Tony Walker in Beljing

China could not dismantle its state-owned industrial system and engage in a rush to privatisation, the influential head of a cabinet think-tank has said in a spirited defence of the country's ailing state sector.

Mr Yuan Mu, director of the State Council's Research Office, writing in yesterday's Economic Daily newspaper, dismissed privatisation as the answer to China's state sector

"Privatisation is not a model

article which appeared to be part of an intensifying debate within the Chinese leadership over faltering enterprise

"State enterprises, particularly those large and mediumsized ones, are playing an ous divestiture programme.

extremely important role in Much of China's shrinking our country's economic development," he said.

They still represent our country's general economic power and are the chief source of the state budget and the main force for social stability." Mr Yuan, who gained promifor us," he said in the long nance as China's chief spokes-

man after the Tiananmen Square massacre of 1989, is identified with the conservative trend in the leadership. His remarks were clearly aimed at reformers who have been urging a more adventur-

state sector is in a parlous condition. According to the state statistical bureau 45 per cent of large and medium state enterprises made losses in 1994. State enterprises are also weighed down with accumulated debts, partly because of

the inability of one enterprise

increased by 74 per cent to

Congress decision comes on eve of crucial Indian state elections

Yn600bn (£45.5bn) last year. The state sector's share of industrial output has been shrinking since China's reform effort was launched in 1978. It was down to 40 per cent last year compared with 80.7 per cent in 1978.

But the health of state enterprises remains a highly sensitive issue among the leadership. The sector represents a powerful constituency and Mr Yuan's remarks could be regarded as part of an effort to

Mr Zhu Rongji, senior vicepremier in charge of the economy, has also rushed to the defence of the state sector recently in another sign that enterprise reform is a "hot" issue among China's leaders. In a speech reported by a

Hong Kong magazine, Mr Zhu said the percentage of stateowned companies in the red had shrunk to 40 per cent in 1994 from 60 per cent in 1993. He argued, in what is becoming a familiar theme for Mr Zhu, that reports in the foreign

to pay another for goods and stave off declining political and press of problems in the state services. The "debt chain" economic influence. sector were exaggerated. Only coal and defence now required substantial subsidies

> Efforts by both Mr Yuan and Mr Zhu to highlight the positive aspects of the state sector also reflect political pressures. Worries about potential unrest among workers laid off from bankrupt state factories is a considerable worry for the authorities.

Implementation of a pilot programme of 100 model bank-ruptcles in 18 cities across the country has been repeatedly

Ayodhya in December 1992 which provoked widespread riots; and failing to

make any progress in two inquiries set up

to investigate the assassination of Mr Rajiv Gandhi, former prime minister and

Congress leader in May 1991.

Mr Vijayabhaskara Reddy, president of

Congress's disciplinary action committee, yesterday said that the decision to expel

Mr Singh for a period of six years was a

Mr Singh's supporters in the party bad

urged Mr Rao not to sack him on the eve

of the state elections. But the prime minis-

ter's loyalists insisted that Congress's for-

tunes could only be revived if detractors

Mr Singh had been given a fortnight to

He filed a detailed reply on Monday,

asking for a personal audience with Mr Rao. He has reiterated that he remains

loyal to the party and to Mr Rao, but party leaders point out several instances of open defiance against the prime minister,

including well-publicised gatherings with

political leaders known to question the

like Mr Singh were dealt with firmly.

"majority decision".

reply to the charges.

prime minister's leadership.

ASIA-PACIFIC NEWS DIGEST

Cigarette ban challenged

Philip Morris, the US-based tobacco and food group, said yesterday it would continue its legal action against the Ausralian federal government's ban on cigarette advertising, in spite of official efforts to amend some aspects of the legislation hanning cigarette advertising. Philip Morris launched its High Court action in July, claiming the ban impeded "commercial freedom of speech", and denied the company "the right to take part in debate on political, public and social issues".

The federal government subsequently tabled amendment legislation, which would allow tobacco companies greater public access in certain specific instances. The amendments were passed in the Senate, the federal purliament's upper house, this week, and now go to the House of Representatives. Howthis week, and now go to the House of Representatives. How-ever, Mr David Davies, vice-president at Philip Morris, said yesterday that while the amendments were "an acknowle-dgement by the federal government that the Tobacco Advertis-ing Prohibition Act as presently drafted is invalid", they did not go far enough. "Philip Morris' challenge is about the power of government to deny any group of Australlans their right to communicate locitimate views on important social right to communicate legitimate views on important social, public and commercial issues. In the case of the tobacco industry, this right continues to be substantially denied, not-withstanding the amendments introduced into Parliament," he said. Nikki Tait, Sydney

Maori claims plan to go ahead The New Zealand government



was determined to go ahead with its plans to offer the Maori people NZ\$1bn (\$637m) to settle permanently all land grievance claims in spite of the "violent shameful and offensive behaviour" by protesters at Monday's treaty commemoration ceremonies, Mr Jim Bolger, the prime minister (left), said last night. Threatening behaviour by 500 Maori protesters forced the cancellation of the Waltangi Treaty Day ceremonies and sparked nationwide outrage as some of their leaders spat at Dame Catherine Tizard, the governor general, cabinet

ministers and diplomats. The protest followed rising anger among Maoris at the government's proposal, made last year, for "full and final" settlement of land claims dating back to the "Native Wars" of the 1860s when large areas of territory were confiscated following conflicts between British troops and tribes. Maori resentment centres on the "finality" of the offer. Terry Hall, Wellington

Philippine exports increase 18%

Philippine exports rose 18.01 per cent in 1994 to \$13.43hn from \$11.38bn in 1993, helped by buoyant sales of electronics and electronic components, the National Statistic Office (NSO) said. December exports jumped to \$1.30bn, up 30 per cent from the \$1bn recorded in the same 1993 month. The country's biggest export sector, electronics, sold goods worth \$328.53m in December, a 36.1 per cent rise on the same period in 1993. The US remained the largest export market for Philippine products in 1994 worth \$5.13bn. Japan was second, buying goods worth

 The Bank of Korea said it would allow February M2 money supply to grow by between 18.0 and 18.9 per cent on the year. despite its target of limiting the rise to below 16 per cent for the whole of this year. The central bank said M2 rose 19.7 per cent in January. Reuter. Seoul

 Indonesia's consumer price index rose 1.16 per cent in January, up from an increase of 0.52 per cent in December and down from 1.25 per cent in January 1994, Mr Harmoko, the information minister said yesterday. He said increases in prices of food, textiles and housing were behind the rise. Reuter, Jakarta

Call for closer EU-Japan ties

The European Union's new ambassador to Japan yesterday called for relations with Tokyo to become broader, to include more foreign policy co-operation, but warned of pressure for a tougher trade stance.

The appeal, in the first public speech by Mr Jorn Keck as

the EU representative in Tokyo, comes on the eve of the arrival of a delegation of senior European Commission officials, to press for progress on reducing the tangle of regulations that hamper foreign access to the Japanese market. German-born Mr Keck, a former Commission trade official specialising in Japan, last Sep-

tember succeeded Mr Jean-Pierre Leng, a Frenchman who now heads the EU delegation to international organisations based in Geneva. This week's Commission

meeting coincides with a visit, on Thursday, by 20 senior executives from the EU-Japan Round Table, a private sector group to promote industrial co-operation, led by Mr Etienne Davignon, chairman of Société Générale de Belgique, the Belgian conglomerate. This will be the round table's first session with its Japanese counterparts since its launch last year.

There was a risk that European business interest in Japan was being eclipsed by the attraction of faster growing markets in the rest of Asla,

said Mr Keck, deputy EU ambassador to Japan for three years to 1982. But the EU wanted to keep Japanese rela-

Economic Co-operation Forum,

profile in world affairs, combined with the evolution of an EU foreign policy, could with sensitive handling pave the way for an all-round partnership comparable to both powers' relations with the US,

tions were good, thanks to an agreement on both sides to tackle trade differences in a rational, rather than emotional manner, he said. Europe's trade deficit with Japan had fallen for two years running, down by 16 per cent to \$22bn in

and big contracts still eluded otherwise competitive European business, said Mr Keck. There has been European criticism that the EU's patient Japanese trade diplomacy was losing out to the more "affirmative approach" of others, meaning the US, he warned.

tions a priority. "Japan's impact on Asia in economic terms, but also as an efficient political operator and intermediary between different countries in the region is important," he said. The EU wanted to be kept informed of discussions at the Asia Pacific

chaired by Japan this year. Japan's search for a higher

argued the ambassador. Generally, EU-Japan rela-

Yet the trade shortfall was still "too large for comfort"

Rao expels ex-minister from party By Shiraz Sidhva in Bombay

Mr Arjun Singh, former Indian cabinet minister and one of the foremost critics of Mr P.V. Narasimha Rao, the prime minis-ter, was yesterday expelled from the ruling Congress (1) party.

Mr Singh's expulsion comes two weeks

after the former human resource develop-ment minister was suspended from the party's highest policy-making body for "anti-party activities".

The action against Mr Singh comes on

the eve of six crucial state elections, which start tomorrow with polls in Maharashtra, west India, and is seen as an attempt to unite Congress.

The party suffered humiliating defeats in elections in three southern states last

November, including Andhra Pradesh, the prime minister's home state. Congress leaders say Mr Singh has deliberately provoked dissent within the party since he quit the cabinet last December. Mr Singh's resignation letter contained a blistering attack on the Rao government and its policies. He said he was disillu-

sioned with the prime minister and

foreign commercial loans to

\$250m during 1995, Mr Cao Si

Kiem, State Bank (central

bank) governor, was quoted as

saying, Reuter reports from

Hanoi. Recent estimates by for-

eign bankers put Vietnam's

external debt at between \$700m

Mr Kiem sald Vietnam had

made this one of its objectives

after its loan agreement with



Arjun Singh: blistering attack

the International Monetary

Fund last November, according

to the Vietnam Economic

Other objectives agreed with

the IMF included a 20.3 per

cent increase in domestic

credit, no increase in net banking loans to the government and an increase of \$100m in

Vietnam's international

reserves, Mr Klem said. For-

eign exchange reserves at the

Times weekly.

accused him of allowing widespread corruption in the party.

He blamed the Rao government for fail-

ing to punish those responsible for the 1992 Bombay stock market scandal; failing to prevent the demolition of a mosque in

Vietnam to cut foreign bank loans end of 1994 were about \$500m, according to foreign bankers' estimates.

> The volume of commercial borrowing during 1994 has not been disclosed. The only acknowledged commercial loan, \$100m, was made by a syndicate of foreign banks to the State Bank last June. Most of Vietnam's external

financing comes from concessional credits by the IMF, World Bank and Asian Development Bank, bilateral aid from governments and foreign direct investment.

The IMF agreed in November to give Vietnam about \$535m in loans over three years under its enhanced structural adjust-ment facility (Esaf) to support medium-term stabilisation and structural reforms. Vietnam normalised rela-

tions with the IMF in 1993 and took out a \$214m standby credit which was cancelled with the signing of the new Vietnam's central bank yes

terday allowed Deutsche Bank of Germany to open a hranch in the southern industrial capital of Ho Chi Minh City, the former Saigon.
The bank, Germany's largest, is the first German institu-

tion to gain branch status in the country and brings the number of foreign banks with branch status to 18.

"German companies that may have been looking at Vietnam but may not have actually arrived will be quite encouraged to have a German bank in place here," said Mr Simon Murray, group chief executive Asia/Pacific.

India's potential. Japan's eco-

nomic downturn has curbed

new foreign investment, while the lengthy internal decision-

making process has also left Japanese companies behind.

in India, their over-reaction to social and religious distur-

bances in the country, the lack

of business information and promising markets in China

and south-east Asia, which have dominated their invest-

Nor is there the potentially influential community of expa-triate Indians in Japan; in Europe and US such communi-

ties have served as useful con-

duits for foreign companies looking to establish contacts in India.

A recent survey by the Kank-

ment decisions.

Sakura also cites Japanese companies' lack of experience

Japan awake to India's growth

Tokyo is a late starter in the investment race, says Emiko Terazono

apanese companies are slowly waking up to the growth of India's middle class market and the effects of Japan's slow recognition of economic liberalisation, and many have started to reassess the country's potential for

"A lot of companies, which have now started to regard India as the next destination for their investment, are coming to ask for advice," says Mr Osamu Wada, who heads the international division of Asahi Glass, the glass maker which has been in India since 1956.

The Kansai Economic Federation (Kankeiren), a business federation in western Japan, sent a research group to India at the end of last year, visiting Bombay and New Delhi to meet Indian government offi-cials and businessmen.

Attractions of the huge market have become hard to ignore

Japanese economic commentators are now forecasting an "India investment boom" to match China's. The Japanese government has also indicated it will help Japanese compa-nies investing in India. Mr Ryutaro Hashimoto,

Japan's trade and industry minister, announced during his visit to India last month that Japan would provide a \$1bn credit. line for export and investment insurance to India over the next two years. The government also plans to cut insurance premiums for Japanese investment and exports to India in April, while easing

screening requirements.

Compared to their US and European counterparts, however, Japanese corporations have fallen behind in the race to invest in India, Japanese direct investment in 1993 totalled \$82m, only 3 per cent of overall foreign investment in the country. The Sakura Institute of

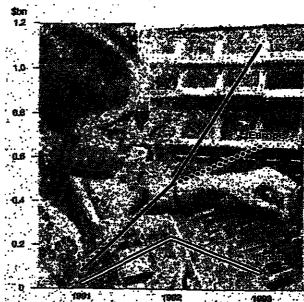
eiren on investment by Japa-nese companies in India confirmed these concerns. It said companies were worried about cultural differences, the lack of infrastructure, the difficulty in finding a good partner, and the complex tax and legal struc-tures of the municipal govern-Mr Katsumi Tametani, man-

ager of Matsushita Electric Industrial's Asia and Middle East division, says Indians have already shown strong demand for western consumer appliances, especially washing machines and refrigerators.

Matsushita began to produce dry-celi batteries in India in 1972 and has four joint ven-tures in India including a rice cooker manufacturing venture and a carbon rod producing project. It will set up a sales subsidiary to act as its Indian headquarters, and is planning to manufacture and market colour televisions and audio equipment under a technological tie-up with a local com-

The attractions of the potentially huge consumer market and the educated workforce -

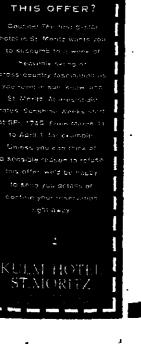
Foreign investment in India: Japan lags

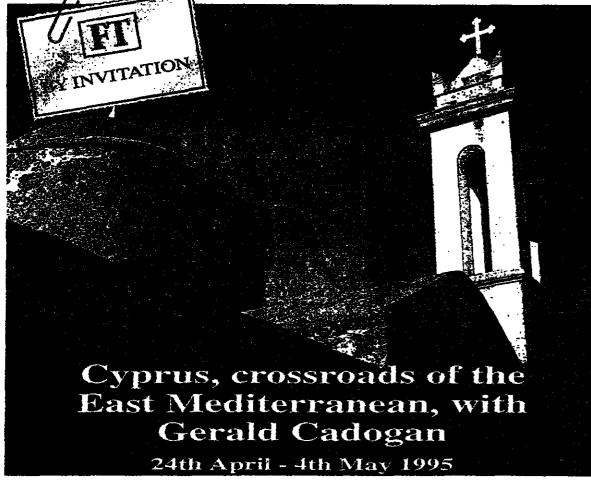


Indian has a middle class of hard to ignore. Sanyo Electric plans to start manufacturing air conditioners, while Hitachi and Sony are planning to expand their activities. Fujitsu, a computer maker attracted by the growth potential for the ommunications market, is also increasing its activities. Growing concerns about Chi-

na's over-heating economy, and increasing labour and tax problems arising from joint ventures there have also drawn Japanese companies to India. Sakura predicts Japanese companies will increase their business there, while Mr Wada of Asahi Glass envisages growing competition between European, US, Japanese and other south-east Asian companies for a share of the market.

However he notes there are subtle differences between China and India, and companies who expect 'a second China' could be disappointed. "For India, people may need to take a longer-term stance than





The Financial Times offers its readers the opportunity to explore the wonders of Cyprus on an FT tailor-made tour. Spend 11 days in the company of Gerald Cadogan, the FT correspondent, learning about the ancient past as our exclusive programme takes you across this beautiful island at the ideal time of the year.

Spend the first five nights in Paphos, an area rich in flora, fauna, spectacular views and archaeological sites. In the Kato Paphos region visit the Houses of Dionysos and Orpheus which feature some of the best preserved mosaics in the Mediterranean. At Kouklia see the Sanctuary of Aphrodite, the Archaeological Museum and tour the excavated site. Explore the Troodos foothills and the many medieval churches, an abandoned Turkish Cypriot village and a Roman-Byzantine copper mine.

On to Limassol for three nights. Visit Petra tou Romiou, the surpposed birthplace of Aphrodite, see the ancient city of Kourion and its monumental architecture. Enjoy a day on freshly excavated sites, To: Nigel Pullman, Financial Times, Southwark Bridge. including Gerald Cadogan's own excavations at Maroni-Vournes.

End the tour with a two night stay in Nicosia travelling via the Troodos with its many wild flowers and spectacular scenery. For further details of this unique holiday, please complete the coupon opposite.

Brief Itinerary Day 1 Travel to Paphos. Hotel Cypria Maris for 5 nights.

Day 2 Akamas peninsula. Day 3 Kato Paphos region.

Day 4 Free morning, followed by a visit to Kouklia. Day 5 Tour of Western Troodos.

Day 6 Travel to Limassol for 3 nights at the Churchill Hotel. Day 7 Limassol sites and museums.

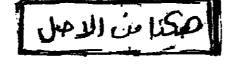
Day 8 Excavated sites in central Cyprus Day 9 Nicosia for a 2 night stay at the Churchill Hotel. Day 10 Cyprus and Leventis Museums. Walk the Green Line.

Day 11 Kition and Hala Sultan Tekke. Depart from Lamaca for home Price: £1,210 per person. Single room supplement: £175 Readers may join the holiday in Paphos.

Price includes: Scheduled flights with Cyprus Airways, airport taxes; twin room accommodation, excursions and entrance fees to sites and museu detailed in the itinerary, Breskfast and at least one main meal each day. Price excludes: Travel insurance; items of a personal nature. This tour is organised on behalf of the Financial Times by

Sunvil Holidays (CAA ATOL 808) in association with Exalt Travel Ltd. The information you provide will be held by its and may be used by other select quality **CYPRUS**

London SE1 9HL Fax: 071-873 3072 Please send me (tall details of the FT Invitation to Cyprus TITLE...... INITIAL SURNAME



Rolls-Royce

mist foes

mile aga

Ireland boo

30

and many a specifical

學是并沒有 有些性症 法

----125 grant of 5. -

The same and a state of the same of

19

was acquired last year by BMW of Germany. R-R intends to produce the bodies for its next generation of cars at a new facility to be **Unionist foes**

end its contract with Rover

Group for the production of

steel bodies for Rolls-Royces

and Bentleys. R-R Motor Cars

is a subsidiary of Vickers, the

UK industrial combine, and is

separate from the Rolls-Royce

aero-engine company. Rover

By John Kampfner,

border institutions.

Westminster Correspondent

Northern Ireland's unionists,

who want the province to remain in the UK, are discuss-

ing the possibility of present-

ing a united front to oppose

British and Irish government

moves to create powerful cross-

Reverend Ian Paisley, leader

of the hardline Democratic

Unionists, said yesterday he

had held talks with Mr James Molyneaux, leader of the Ulster

Unionist party, to discuss the threat of cross-border institu-

tions. The Ulster Unionists tra-

ditionally support the Conser-

vative government in

The threat emerged last

week in the leak of a draft doc-

ument prepared for talks

between the governments of

the UK and Republic of

Ireland. Mr Paisley said an

announcement could be made

shortly "showing that the

unionists of Northern Ireland,

as far as big issues are con-

cerned, are one, and we are

going to stand together to

defend the constitutional posi-

tion of this province firmly

neaux and myself talk to other

people at Westminster who are

the enemies of this province, It

is only right the two elected

leaders of unionism should be

Ulster Unionist MPs con-

firmed that a meeting did place

late last week, but sought to

play down its significance. The

DUP has been seeking a united

able to talk."

"We are is a crisis," Mr Pais-

parliament in London.

cialist UK automotive engineering group.

Mayflower will take over many of the functions now carried out by Rover when the UK luxury carmaker launches a generation of Rolls-Royce and Bentley cars in the late

The body engineering deal with Mayflower is an important step in the development of the new luxury car ranges. It comes only weeks after Vick-

position on constitutional

issues. But meetings between its leaders and those of the

larger UUP, from which it split

A more cohesive unionist

front would strengthen the

hand of those in Northern

Ireland and in the Conserva-

tive party who see in the framework document about

cross-border institutions an

attempt to give the Republic of

Ireland authority over the

A small group of Conserva-

tive MPs met Mr Michael

Ancram, the Northern Ireland

minister responsible for the

peace talks, early yesterday.

One participant said he and fel-

low backbenchers had been

"reassured" that some pas-

sages of the document leaked

last week were being reworded

The government has also

been keen to dispel speculation

that Mr Ancram might attend

talks with Sinn Fe'in, the polit-

ical wing of the Irish Republi-

One Conservative warned his

unionist colleagues not to over-play their hand: "We, and I'm

sure they, were surprised to

see that their constituents had

In Dublin, both houses of

parliament were poised last

night to repeal the State of

The move was proposed to

Emergency that was imposed

both houses by Mr John Bru-

ton, the prime minister, and

has all-party support. It is seen

as a further demonstration of

reacted more calmly than they.

over-reacted," he said.

can Army.

to address unionist concerns.

in 1971, are rare.

may unite against

all-Ireland bodies

Rover presses the panels for Rolls-Royce and Bentley cars at its stamping plant in western England, and welds the bodies at its assembly plant

Vickers' decision to replace the Rover group with Mayflower could allow it to maintain some degree of independence from BMW, which is expected to supply a wide range of other components and

Mayflower said in a statement to the stock exchange that Motor Panels, its automo tive design and production subsidiary, had been awarded a contract "to provide engineering development services to support Rolls-Royce's vehicle

Rolls-Royce said that, in addition to the engineering contract, it planned "to estab-lish body manufacturing facili-ties" at its Crewe plant as

was appointed Rolls-Royce Motor Cars chief executive in December after the sudden departure of Mr Peter Ward. said the new plant would enable the company "to produce bodies for existing and future models".

The Rolls-Royce contract is a significant development for Mayflower, which already sup-Aston Martin DB7 luxury sports car launched last year.

The long search for an end to terror

1993 Sep Governments of UK and Irish Republic have ded in violence in N Ireland since 1969. attempt to resume telles about N hieland as sectarian

Georg Adems (president of Skin Fein, political wing of trish Republican Army) and John Hume (leader of nationalist-leahing Social Democratic and Labour party be permanent said a member of House of Commons) state efter months of private talks that they believe wider negotia-tions can begin, leading to "stable and leating passe".

Oct Attack on fish shop underneath local office of anti-nationalist Utster Defence Association in Belfast 188-10 including man who planted bomb. Adams is criticised for joining palinearers at bomber's funeral. Greysteel Massacre: Four Roman Catholics and three is die whee two members of extreme loyalist (and illegal) Uster Freedom Fighters fire Indiscriminately

Nov N Ireland policeman dies after being shot by IRA

Dec Downing Street Declaration signed by premiers of UK and trists Republic; British government says it has no "selfish, strategic or economic interest in Northern

1994 Feb President Clinton grants limited visa for Adams to visit US.

July Rumours grow that IRA is about to announce temporary cassairs similar to those ordered over successive Christmases,

Aug IRA plaints bombs on bloycles in English seaside towns to mark 25th anniversary of posting of British Government of republic releases more IRA prisoners many effice throughout world. More than 3,000 people paign

Roman Catholic man of 20 seized by Ulster Freedom Fighters; gagged and shot in head after being held for

Sept US vice-president Al Gore meets Albert Reynolds prime minister of Irish Republic, and indicates that Washington accepts ceasefire as permanent. British government starts to scale down security in N Ireland; five IRA prisoners and a sixth inmate, armed , with two handguns, try to escape from prison in England; Adams starts two-week tour in US

Oct Ceaselire announced by Combined Lovelist Military Command, representing the two main outlawed protestent and enti-nationalist paramilitary groups - Uister Defence Association and Ulster Volun

Nov Worker killed in IRA raid on post office at Newry; government of trish Republic delays release of IRA cash aid through reconstruction projects

Dec US commerce secretary Ron Brown attends

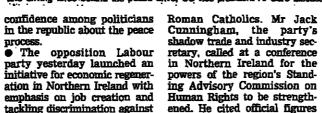
1995 Feb Leak of draft document about framework for

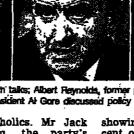
all-ireland executive body condemned by unionists as sure step towards united treland; Major exercises rarelyused right to demand TV sir time; appeals for "time and

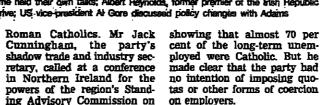
troops to N instand. Raties to stark arriversary held in Labour party in UK backs prime minister's peace cam-











Cross-border links, Page 13

UK NEWS DIGEST

Exporters are urged to aim at Pacific rim

British industry must look beyond Europe to the emerging markets of the Pacific rim if the UK is to achieve the target of winning another 1 per cent of world trade by the year 2000, says a report from the Confederation of British Industry, the country's largest employers' group, and Ernst & Young, the accountancy firm. Last year Britain accounted for 4.8 per cent of world trade while the national manufacturing council of the CBI has set a target of

5.8% by the end of the decade. The report says continued export growth in the main markets of Europe and north America might account for an extra £50bn a year, leaving £40bn to be won through increased penetration of other markets. "Although exports to developing countries are rising significantly, the increase has not been enough even to maintain market share in them, which fell from 5.6 per cent in 1980 to 3.2 per cent in

1993," says the report.

Mr John Crampton, a partner at Ernst & Young, said: "The US, Germay and Japan are laps ahead of the rest in the export race. Fundamental change in the way UK businesses approach international markets is needed to ensure they remain competitive and step up the pace. By the year 2020, most successful businesses will have more customers and employers in today's developing countries than the developed ones. PA News

Factory output rise masks sluggish growth

British manufacturers stepped up production in December after an unexpected retrenchment in the previous month. But the underlying picture still shows growth in factory output slowing. Manufacturing output went up by 0.5 per cent between November and December, after adjusting for the impact of Christmas holidays, according to the Central Statistical Office. The statistical office also raised its original estimates of factory output in October and

Mr Kenneth Clarke, the chancellor of the exchequer, said the figures showed that growth had been sustained strongly in the fourth quarter and that "manufacturing remains buoyant in this economy". But City economists were divided about the implications for the next move in interest rates. Mr Adam Cole at stockbroker James Capel said surveys of manufacturers by the Confedera-tion of British Industry suggested that the economy would continue to grow too strongly to keep inflation down. "The next rise in base rates is probably only two months away." Robert Chote, Economics Correspondent

FT owner gives cash to Labour party

Pearson, the media and entertainment group. has become the first big public company in the UK to make a substantial donation to the opposition Labour party with a gift of £25,000 (\$39,000). "The Labour party has moved much more towards the centre and are the leading opposition party so it is logical to help them, Lord Blakenham, chairman of Pearson, said

yesterday. The company, which owns the Financial Times, has also given £25,000 to the Conservative party and about £30,000 to three independent policy think tanks. Labour yesterday seized on the donation as the first tangible sign that UK companies are warming to the prospect of a government led by Mr Tony Blair, the party's leader. "The implications of this donation are very considerable," said Mr Paul Blagbrough, finance director of the Labour party. FT London staff

Maxwell deal agreed

Joint administrators to the private companies controlled by Robert Maxwell have agreed in principle to pay a total of £10.6m to settle claims made by trustees of the former employees' pensions schemes. The payment, from the joint administrators at Arthur Andersen, is intended to satisfy claims from the pension scheme trustees in respect of assets which disappeared from the schemes.

The settlement does not affect talks on a "global settlement" being brokered by Sir John Cuckney between the various Maxwell company pension schemes and the investment banks and others which it is alleged assisted in the disappearance of assets. Achieving the settlement should pave the way for Arthur Andersen to pay dividends to other creditors of Maxwell's private companies. The liabilities of the private company pension schemes to pay pensions to roughly 4,500 members are estimated at £80m. Of those 4,500 members,

1.500 are currently drawing their pensions. The settlement will bring the assets of the private company schemes to £45m (\$70m), leaving a shortfall of £35m. Maxwell company pensioners and MPs have expressed concern that the pursuit of claims against Maxwell's interests has cost more than the sums recovered Norma Cohen, Investments Correspondent

Another minister quits

Mr Allan Stewart, a junior minister at the Scottish Office, resigned from Mr John Major's Conservative government yesterday to spare it embarrassment over a weekend confrontation with environmentalist demonstrators, Mr Stewart, the 12th minister or parliamentary aide to resign from Mr Major's administration on personal grounds since 1990, was quickly replaced by Mr George Kynoch.

The announcement followed reports that Mr Stewart picked up a pickaxe during a clash with demonstrators protesting against a motorway extension in his constituency near Glasgow, the largest city in Scotland. His decision to leave the government quickly was praised by Mr Major, who has warned all ministers that controversies over their personal lives cannot be allowed to damage the party's interests. Kevin Brown, Political Correspondent

Health expenditure low: The UK spends little more than half as much on health per person as the average for member countries in the Organisation for Economic Co-operation and Development, says the Office of Health Economics, a body funded by the pharmaceutical industry. Yet Britons live almost exactly as long as other western Europeans and UK infant mortality is below the OECD average. The office says 13 per cent of Britons have per cent in 1984.

Official exploration deal: Amerada Hess and BP Exploration have signed an agreement for joint appraisal of the Shiehallion field, one of the two promising oil discoveries recently made west of the Shetland Isles to the far north of Scotland. The field is thought to extend through blocks operated by Amerada

Church to sell Europe's biggest shopping mall

The commissioners who administer the property of the Protestant Church of England are to sell the MetroCentre in Gateshead, Europe's largest covered shopping and leisure centre, as part of a programme to reduce exposure to the com-

mercial property market. Up to half a million people a week visit the centre in north-east England. It was built by the commissioners in the late 1980s in a disastrous foray into property develop-

The centre, recently voted by retailers the UK's most profitable trading location - a title previously held by London's Oxford Street - cost £225m to

an English airport from which they were to be

flown to mainland Europe. Sir David Naish, union president, attacked "the sinister

minority of boot boys in balaclavas" attempting to disrupt exports with violence.

The British people may love animals, but they cannot and will not abide extremism and

political thuggery whatever cause it claims to

over £300m. DTZ Debenham Thorpe, the surveyors, have been instructed to find a buyer.

The commissioners, who also administer pay and pensions for Church of England clergy, have been reducing their prop-erty holdings following publication in 1993 of a highly critical report commissioned by the archbishop of Canterbury into their investment policies.

Over-exposure to the prop-erty market led to losses of £800m between 1989 and 1991. Mr Andrew Brown, chief surveyor, said the MetroCentre now accounted for 35 per cent of the commercial property portfolio and about 15 per cent

of the Church Commissioners' total assets. While the investment perfor-

mance of the commissioners has improved in recent years, the rising cost of clergy stipends and pensions has placed

a severe strain on cashflow. The MetroCentre, with its three miles of tree-lined malls, generates annual rental income of about £20m. Mr Brown said the commissioners hoped to keep a 10 per cent interest in the centre by retaining the freehold and selling a

200-year lease. The centre was the brainchild of Sir John Hall of Cameron Hall, the property devel-oper, now chairman of Newcastle United Football

Sir David has written to Mr Michael Howard,

home secretary, asking for full protection for

farmers from threats of violent picketing of their homes. He said yesterday the union was

prepared to listen to animal welfare groups, but

won loud applause when he added: "I have told

them I'm determined we should be able to

continue our lawful trade. That means live

The commissioners have courted controversy by allowing shops within the Metro-

Centre to open on Sundays.

and Mr Cohrs nevertheless came in the wake of the failure of Warburg's merger talks with comes in addition to several Morgan Stanley of the US. blows to the firm. It has in the past five months issued a prof-

By Nicholas Denton

S.G. Warburg, the investment bank, has suffered a further setback with the defection yesterday of the heads of its equity capital markets

Mr Maurice Thompson and Mr Michael Cohrs, joint heads of equity capital markets at Warburg, resigned to take similar roles at Morgan Grenfell. the investment banking subsid-

ons between the two executives and Morgan Grenfell

Warburg said it had "strength in depth" in the equity syndication area, which helps distribute primary equity issues. It said no other staff in the 30-strong department had announced their departure and that an announcement would

ment for the joint heads. The loss of Mr Thompson

its warning, failed in merger talks and largely pulled out of the eurobond market.

Hiring Mr Thompson and Mr Cohrs is part of Morgan Grenfell's and Deutsche Bank's plan

sche Bank employees in the equity issuance area.

The move confirms that Deutsche Bank is intent on building its investment banking operations in London through hiring rather than through new acquisitions.

high school students.

formally they are employees of

Morgan Grenfell's corporate

finance division, the two will

also be responsible for Deut-

Warburg loses unit's joint chiefs to Grenfell investment banking operations from our base in London," said Mr Michael Dobson, the chief executive of Morgan Grenfell. The key to that is a

leading equity origination business. Equity capital markets departments handle primary equity issues done through bookhuilding including most international issues and some

Chemicals giant complains of 50% rise since 1990

Large buyer of electricity says prices are too high

Imperial Chemical Industries, the country's largest industrial user of electricity, claims that a flawed market is creating electricity prices for large users that are too high and too

The average price range for the electricity pool, which is fed by the generators, is between £10 and £60 a megawatt hour. But in December peak-time prices exceeded £450/ MWh and on January 11 they hit £600/MWh.

The effect of such increases on the chemical industry is acute. Chemical producers tend to buy directly from the electricity pool, accounting for a significant proportion of its turnover. ICI alone consumes as much electricity as the city of Liverpool. And electricity accounts for a higher proportion of the chemical industry's production costs than for most

ICI says that, since electricity privatisation in 1990, prices for large users have risen by 50 per cent. As a result, many are investing in their own genera-

industries.

tion capacity.
ICI says it has made considerable savings at its Wilton site in north-east England by building an on-site power station with Enron, the US gas company, and four regional

Mr Doug Rodgers of the Chemical Industries Association says prices to large users are an average 20 per cent higher in the UK than elsewhere in Europe, and the difference reflects more than a loss of subsidies. He says flaws in the British market have created higher prices than are justified by the costs of electricity production.

In December, as electricity use was rising, Nuclear Electric closed about 15 per cent of its capacity for unscheduled repairs. Prices soared, as ever more expensive capacity was turned to, increasing payments to all power stations. PowerGen and National

Power, the two main generators, control 70 per cent of capacity, and their day-to-day prices are alleged to bear no relation to the cash cost of production. electricity companies. It is now keen to find an alternative to

the pool for its chlorine-

producing Runcorn in

north-west England, where electricity delivery prices topped £30/MWh in 1993-94. Mr Bryan Bulloch, power services manager of ICI's Chlor Chemicals, says companies such as Siemens. Westinghouse and General Electric are

he claims this is still not the best price possible. The company believes it could produce electricity at an idle PowerGen plant in north-east England at a cash cost of £15/MWh. The plant is idle because a year ago. Offer, the electricity regulator, instructed the two main generators, National Power and PowerGen, to sell off 6,000MW, or 13 per cent, of their capacity, by the end of

Many companies have decided that building a power station from scratch would mean diverting too many resources from core business. BOC Gases decided against a power plant after a feasibility study with Scottish Hydro-electric and Northern Electric. But smaller schemes are

widespread. Most common is the construction of combined heat and power plants, which use the heat that is created during the generation of power as well as the power itself. CHP plants now account for about 4 per cent of the UK's electricity capacity.

The Chemical Industries Association says that, with the chemical industry accounting for almost 8 per cent of total electricity used, the big generators can expect a continuing loss of market share as manuoffering on-site electricity genfacturers seek other sources.

HARVARD Summer School

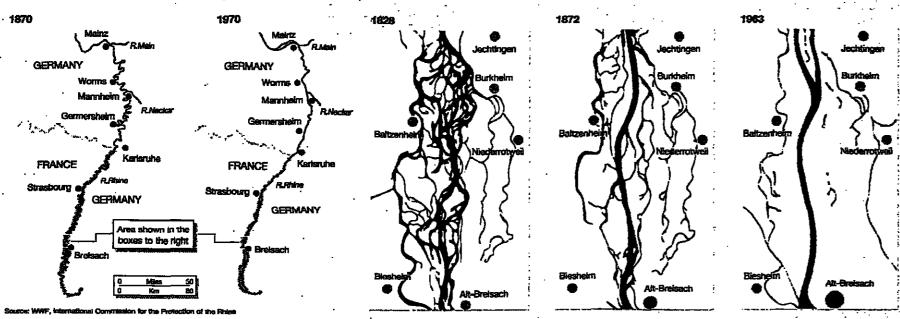
June 26-August 18, 1995

Open enrollment in hundreds of day and evening liberal arts courses that fulfill college degree requirements or contribute to personal or professional development. Access to Harvard University's outstanding libraries, museums, laboratories, and cultural activities. Special offerings in writing, drama, Ukrainian, economics, and English for non-native speakers, as well as the Dance Center and a college level program for

For publications, call 617-495-0519 (give code #715) or return coupon below. The Harvard Summer School catalogue, with application materials, is also available on-line via the Internet at courses.harvard.edu after February 15, Information: 617-495-4024.

Please send:	Name
D General Harvard Summer School information	
Cl. Secondary School program catalogue (college-level program for high school students who have completed their junior or senior year)	Address
O Institute for English Language Programs : brochure/application	
Dance Center brochure/application	
Harvard Summer School • Dept. 715	51 Brattle St. • Cambridge, MA
	02136





Haig Simonian reports on the recriminations flowing upstream to southern Germany

Floods of tears on the

mally sedate river Rhine has a nasty habit of springing surprises. Twice in the past 13 months. Europe's husiest waterway has burst its banks from central Germany to the Netherlands, leaving a trail of devastation.

In the floods this month, at least four people were killed, some 250,000 had to be evacuated in the Netherlands, and large tracts of cities were submerged.

Michael Müller, a German Social Democrat politican and environment expert, estimates the cost at between DM1.5bn (£620m) and DM1.7bn for Germany alone.

Rainfall in the Rhine catchment area has risen steadily this century, according to Dieter Preliberg, an expert at the Rhine flood control centre in Mainz. In the most recent floods, abnormally high rainfall combined with unusally mild temperatures, which melted mountain snows, to produce an engulfing torrent.

However, natural circumstances have been exacerbated, say environmentalists, by more than a century of riverside economic development. The Rhine's growing tendency to burst its banks has been encouraged by industrial development. The creation of steep concrete flood walls along much of the upstream

ike a pet that occasionally southern part of the river has bites its owner, the norpushed the problem downstream by pushed the problem downstream by closing off former flood meadows. The tendency to protect upstream areas from flooding has been

largely driven by economic pressure. Draining unstream marshlands provided extra land for farmers in southern Germany. In places, the reclaimed territory has been used for housing and industry. Hydro-electric power stations

along much of the upper Rhine are the other main culprit, says Gerhard von Haus, chief executive of the German inland shipping association. Since the 1950s, the upper Rhine along the Franco-German border has been progressively transformed, with the construction of 10 hydro-electric plants.

I he near-collapse of several Dutch river dykes in the recent flooding has prompted the Nether-lands to speed up a strengthening programme.

Although the Netherlands' network of dykes with-

stood last week's rush of water down the Rhine and

Meuse rivers, the extremely high water levels exposed the effects of years of neglected maintenance.

Around 20 per cent of the 560km of dykes in the central part of the Netherlands were shown to be in a

weakened state. Now that the emergency has receded,

it is clear that the bolstered building programme will not mark a great departure in the way dykes are

The power project involved building a "new" river parallel to the old meandering Rhine, sometimes using existing branches of the main river. As part of the scheme, new branches were deepened and straightened to facilitate shipping While the hydro-electric barrages blocked water traffic, barges could pass through a network of locks and side canals. Construction of the power stations, eight French and two jointly owned by France and Germany, was one of Europe's engi-

neering feats of the 1950s. Combined with building on the river banks, the construction of the power stations created a deeper, faster Rhine. About 90 per cent of the wetlands that the river used to meander through, and periodically

In the Netherlands

flood, have been reclaimed. Moreover, since the 1830s, engineers have straightened the upper Rhine's bends so much to help shipping that it is now 80 km shorter. One of the most important projects to reclaim marshlands and make the river more navigable was led by German engineer Gottfried Tulla and dates back to 1872 (see map 1872).

"We have been raping nature for 40 years," says Klaudia Martini, environment minister in the German state of Rhineland-Palatinate, which covers the middle section. "The Rhine is showing us this was wrong.

Experts say a tide of melted snow from the Alps and winter rains now takes only 30 hours to rush from

s of the Rhme

Ronald van de Krol

But bureaucratic procedures needed to get construc-

Dyke strengthening, originally scheduled to be com-pleted in 2008, should be finished by the end of the

decade. The Dutch will also be pressing authorities upstream, particularly in Germany and Switzerland, to reconsider their flood protection systems so that flood

Greater use of flood meadows, plus reforestation to combat erosion, would help flood waters drain more

aters are not simply channelled downstream.

tion under way will be simplified.

naturally in the upper rea

60 hours to seep through the old wetlands. "Studies show that the river now flows faster and floods higher and more quickly, than ever before," says Preliberg. Ever higher floods have followed

the Rhine's progressive transformation. That led to a Franco-German agreement in 1982 to create new upstream flood meadows. Under the scheme, subsequently modified and extended, France and the German states of Rhineland-Palatinate and Baden-Württemberg agreed to build new polder (spill-over areas) to limit flooding downstream. The project entails building more than 20 polders, capable of holding 212 cu m of water. However, only two have been completed on the German side, at Altenheim and Kehl in Baden-Würt-

tembere. Politicians along much of the Rhine say they have come under strong pressure to make riverside land available for local businesses or housing Building Baden-Württemberg's 13 polder, capable of hold-ing 168 cu m of water, is expected to cost DM700m alone. Of that, 42 per cent is due to be financed by the federal government.

The finished project may help to solve the problem of flooding. although there is no guarantee it will end the mutual recriminations between politicians in flooded areas and their counterparts upstream.

Nikki Tait on the issue of jobs versus conservation in Australia

Debate split on woodchips

i hroughout last week, Australia's Parliament House was besieged by more than 2,000 loggers. Hundreds of lorries blockaded access routes to the federal parliament, forcing politicians to trudge - uphill - to work. Sleeping bags were strung out between the vehicles' funnels. Protestors' children played in the corridors of powers.

Behind this extraordinary scene lay one of the most commonplace but intractable conundrums in the environmental debate. On the one hand, the loggers' desire for jobs, backed up by the economy's pressing need for export earnings; on the other, environmentalists' demand for resource protection. The Australian furore centres

on woodchips, one of the lowest value added products in the timber industry and used mainly in production of pulp and paper. Controversy bubbled to the surface late last year when export licences, held by companies such as North and Boral and covering more than 6m tonnes of woodchip, came up for annual renewal.

Australia's Labor government was in a bind. The country has a serious and worsening trade deficit. On the timber front overall, imports easily exceed exports, with the annual net deficit standing at around A\$1.8bn (£880m) last year. Without woodchip exports, the largest proportion of which goes to Japan, this situation would be much worse. Annual woodchip exports are valued at upwards of A\$400m, and account for about half of Australia's total timber-related exports.
But if trade considerations

argued for a renewal of the woodchip licences, political considerations tended to work the other way. 1995 could well be an election year in Australia, and the Labor Party's electoral fortunes have hinged in the past on

keeping the "green" vote sweet. After much backstage jockeying, the federal resources minister decided to sign the licences, and commotion duly ensued. Passions were then further inflamed when the Federal Court weighed in,

indicating that woodchip export licences might be subject to successful legal challenge because requirements in federal law, to take environmental factors into account, had not been satisfied. At that point, Paul Keating, the

- - - 7

guardina (1)

يتبعث للماجي

ديد يا - - -

ويج حني زر

a rannon

ಎಂದು ಸ್ಥಿತಿ ಹ

-

مينات مياور ماري

. — ______

-3/45

.. energy

77.4

- 24 <u>- 1</u>

garan da esta 🔻

والمراجع المراجعة

الربيعة والمهادي

40 5 mg 30 4

والمنتفية والمتانية

--- 20040

11 miles

فاعلي المجاوب

grand from the contract of

7-1-7-

· . .

No.

وهنوسي أرا

country's prime minister. intervened. His first suggested compromise was to ring-fence 509 "coupes" - specific areas of old-growth forest which could be felled in a single operation which are thought to be of particular conservation interest. No logging would be permitted here until an environmental impact review had been done. But this brought wails - and

the blockade - from loggers who claimed that the economics of whole timber towns could be threatened. So a second compromise was offered: an accelerated, eight-week examination of the coupes, and the immediate release of those areas in which logging is currently under way.

A temporary peace was finally bought. The loggers left Parliament Hill at the weekend, but swore to return if the review endangered jobs. "If there is one job loss, if one of our people suffers . . . we will be back here so quickly with a lot more and we'll really give them a going over," said Michael O'Connor. spokesman for the Construction, Forestry, Mining and Energy Union. Across the fence, the "green" lobby prepared to launch it own, rival, demonstrations.

Few observers think the state of play is satisfactory, but views differ on how the dilemma should be resolved. "The issue is very confused," says Peter Negline, senior research analyst with Salomon Brothers' Sydney office.

The Federal Court judgment is now being appealed by the government, but timber companies were quick to claim that, if the rolling stands and export approvals are dependent on exhaustive environmental deliberations at federal level. woodchips may be only a small portion of the problem. "There's coal, alumina, mineral sands – all sorts of repercussions, remarked one timber company



SPOT THE REFUGEE

There he is. Fourth row, second from the left. The one with the moustache. Obvious really.

Maybe not. The unsavoury-looking character you're looking at is more likely to be your average neighbourhood slob with a grubby vest and a weekend's stubble on his chin.

And the real refugee could just as easily be the clean-cut fellow on his left. You see, refugees are just like you

and me. Except for one thing. Everything they once had has been left behind. Home, family, possessions, all gone. They have nothing.

And nothing is all they'll ever have unless we all extend a belping hand. We know you can't give them back the things that others have taken away.



We're not even asking for money (though every cent certainly helps). But we are asking that you keep an open mind. And a smile of welcome. It may not seem much. But to a

refugee it can mean everything. UNHCR is a strictly humanitarian organization funded only by voluntary contributions. Currently it is responsible for more than 19 million refugees around the world.

UNHCR Public Information P.O. Box 2500 1211 Geneva 2, Switzerland

TENDER NOTICE

UK GOVERNMENT ECU TREASURY BILLS For tender on 14 February 1995

The Bank of England announces the issue by Her Majesty's Treasury of ECU 1,000 million nominal of UK Government ECU Treasury Bills, for tender on a bid-yield basis on Tuesday, 14 February 1995. An additional ECU 50 million nominal of Bills will be allotted directly to the Bank of England for the account of the Exchange ation Account.

2. The ECU 1,000 million of Bills to be issued by tender will be dated 16 February 1995 and will be in the following ECU 200 million for maturity on 16 March 1995 ECU 500 million for maturity on 11 May 1995

ECU 300 million for maturity on 10 August 1995 3. All tenders must be made on the printed application forms available on request from the Bank of England. Completed application forms must be lodged, by hand, at the Bank of England, Customer Settlement Services (formerly Securities Office), Threadneedle Street, London, London not later than 10.30 a.m., London time, on Tuesday, 14 February 1995. Payment for Bills allotted

will be due on Thursday, 16 February 1995. Each tender at each yield for each maturity must be made on a separate application form for a minimum of ECU 500,000 nominal. Tenders above this minimum must be in multiples of ECU 100,000 nominal.

5. Tenders must be made on a yield basis (calculated on the basis of the actual number of days to maturity and a year of 360 days) rounded to two dackmal places. Each application form must state the maturity date of the Bills for which application is made, the yield bid and the

Notification will be despatched on the day of the tender to applicants whose tenders have been accepted in whole or in part. For applicants who have requested credit of Bills in global form to their account with ESO, Euroclear or CEDEL, Bills will be credited in the relevant systems against payment. For applicants who have requested definitive Bills, Bills will be available for requested definitive Bills, Bills will be available for collection at the Customer Settlement Services, Bank of England after 1.30 p.m. on Thursday, 16 February 1995 provided cleared funds have been credited to the Bank of England's ECU Treasury Bills Account No. 59005516 with Lloyds Bank Pic, International Banking Division, PO Box 19, Hays Lane House, 1 Hays Lane, London SE1 2HA. Definitive Bills will be available in amounts of ECU 10,000, ECU 50,000, ECU 10,000,000 ECU 500,000 and ECU 10,000,000 nominal Her Majesty's Treasury reserve the right to reject any or part of any tender.

8. The arrangements for the tender are set out in more detail in the Information Memorandum on the UK Government ECU Treasury Bill programme issued by the Bank of England on behalf of Her Majesty's Treasury on 28 March 1989, and in supplements to the Information Memorandum. All tenders will be subject to the provisions of that Information Memorandum (as

9. The ECU 50 million of Bills to be allotted directly to the Bank of England for the account of the Exchange Equalisation Account will be for maturity on 10 August 1995. These Bills may be made available through sale and repurchase transactions to the market makers listed in the Information Memorandum (as supplemented) in order to facilitate settlement.

10. Copies of the Information Memorandum (and supplements to it) may be obtained at the Bank of England. UK Government ECU Treasury Bills are issued under the Treasury Bills Act 1877, the National Loans Act 1968 and the Treasury Bills Regulations 1968 as

Bank of England 7 February 1995

North Sea Letter

Comprehensive coverage of the oil and gas industry on the Northwest

Europe Continental Shelf

North Sea Letter provides a cost-effective source of accurate and up-to-date information on the North Sea oil and gas industry. Every week it covers:

contract bidding

• the rig market

well spuds

engineering and fabrication awards
 completions

• field development

exploration

There is also regular coverage of seismic activity, oil and gas production, deals and acquisitions, political and taxation issues, the key area of safety as well as detailed listings of conferences and appointments.

If you would like to see a FREE sample issue of North Sea Letter please fill in your details below, or attach your business card, and return to Tony Ashcroft, Financial Times Newsletters, Third Floor.

Number One Southwark Bridge, London, UK SEI 9HL Tel: +44 (0)71-873-3794 or Fax: +44 (0)71-873-3935.

North Sea Letter is available by subscription only for £595 (UK) or £640 (RoW) per year (51 issues).



FINANCIAL TIMES

racii issue is typic	ally 22 pages.	Newsleads
Please send me a FRI	E sample copy of North S	ea Letter
Name	i producety spil Mari March postista	
Company		
Address	apt and 18th spropping at the same	
·	oten Moderdyronis prodestje zym i s se ode	
Postcode	Country	
Tel	Fax	······································
Registered Officer FT Business	Services Lad, Number One Sou	The season of the season of the

Television/Christopher Dunkley

Face to face

with bustles

and trials

aturday. Most people assumed that Channel 4's

new series, Is This Your

Life?, was to be a camou-

flaged version of This Is

Your Life. In fact it is far more inter-

esting. We should have guessed: with

former Sunday Times editor Andrew

Neil as presenter there is, of course,

none of the lovey-dovey sentimental-ity or tearful reunions of the familiar

old series. A closer model would be

the more combative editions of John Freeman's Face To Face. Neil and his

interviewee are the only two people in

front of a - seemingly unnecessary -

studio audience, and although we

hear a bit about childhood and some

taped reports from people who have

known the subject, the real point of

the programme is Neil's fierce grilling

on some newsworthy aspect of the subject's life. In Week 1 Patima Whit-

bread seemed a little fazed, but this week Albert Reynolds stood up well

to Neil's tough treatment The chief

problem, presumably, will be the sup-

Sunday. The idea seems to have got

around that The Bucconeers might do

for the BBC's 1995 new year season what Middlemarch did in 1994. But

apart from the fact that they are both

period pieces, there is really no com-

parison. Middlemarch, both as book

and dramatisation, had not only a

story to tell but much to say about

the human condition. Like most great

art it managed to encapsulate the

spirit of its time and also make uni-

versal and timeless observations. The

Buccaneers is more like Baywatch

with bustles: lovely young female bod-

ies flash around the screen, bosoms

heave, eyes flash, ringlets are tossed,

waists are accentuated, and the musk

of sex hangs heavy in the air, though

nothing sexy actually happens. Not in

Episode 1, anyway. It is entertaining

enough and has the same degree of

social significance as, say, Just Wil-

Monday. There was the usual hypo-

media prior to Panorama's studio trial

of the Clegg case. Yet in the event the

most notable aspect was that the pro-

ducers had been working on the pro-

they had not had time to check the

tape and discover that they had left in

a duplicate of what felt like quite a

long section. Professional busybodies

use the term "trial by television" as

though it is seen universally as a mor-tal sin, but this seemed like a per-fectly sensible trial by television. It conveyed the pros and cons quickly

and clearly and put the viewers in a

ach play I see by Phyllis
Nagy confirms me in the

helief that she is the finest

playwright to have emerged

in the 1990s. Now living in London

and currently writer-in-residence at

the Royal Court, she is one of several

American playwrights whose plays

now receive their world premieres in

Britain. Sex. truth, sincerity, psycho-

logy, and mystery are interconnected

issues in her work. She combines

force and subtlety in unusual ways.

And, though she probes poetically

and keenly into the psyches of her

characters, she leaves them, ulti-

e to transn

critical fuss from the printed ma

ply of victims. Whoops - subjects.

THE THINKS Debate split on woodchips

PRINTER LAND COME THE REAL PROPERTY. 魏帝 in the fact in the con-

THE BUTCHES - ---with the second second With the Control of the Control of ي المستنبع أن الم ME WATER AND SOME al the water and the first of the second of the second

Had Tail or

MYENDO IT FRANK WAS I

STATE OF THE STATE OF Bank The Super S 機関 東部別へのこと Berthampster and Alle

indivision to a North Se Letter

🛊 🗗 ५ 🚁

TOWN A CO

2.5 mg 2.5

مستارج

الاستجارين أترجنوا

直接接收 化二二

And the second of the second o

& Attacher

mately, inscrutable. She creates situations in which we can never know all 墨湯 经总统 we would like to know. Weldon Rising (at the Royal Court's 医压力性性 化 Theatre Upstairs in 1992), Entering Queens (at the Drill Hall, 1993), and Mary to Green Butterfly Kiss (at the Almeida in April 1994) were all remarkable both for the finesse of their construction and for - ಇಡ್ಡುಬ್ರಹ್ಮ the moral acuity with which they

other people involved in her story. The Marriage of Figaro: by Mozart. Conducted by Stefan

■ FRANKFURT

GALLERIES

Asger Jorn - Retrospective: 167 works by the Danish painter. The fifth chapter in a series of presentations of postwar European

■ LONDON

CONCERTS Barbican Tel: (0171) 638 8891 Grand Classical Evening: David Coleman conducts the National Symphony Orchestra with tenor Bruce Rankin and baritone Steven Page to play a wide and varied programme of classical music, 7.30

pm; Feb 11 Tippett: Visions of Paradise: Sir Colin Davis conducts the London Symphony Orchestra to play Tippett's, 'Triple Concerto' and

 Igor Oistrakh Plays Mendelssohn and Tchalkovsky: Simon Phipps conducts the English Chamber Orchestra and violinist Igor Oistrakh; 7.30 pm; Feb 11

 Philharmonia Orchestra: with violinist Kyung-Wha Chung and conductor Kurt Sanderling plays Beethoven and Bruckner, 7.30 pm;

 Philharmonia Orchestra: Kurt Sanderling conducts Beethoven and

night's edition of Painting The World was the last; four programmes have not been enough to bring out the richss and diversity of the work in the National Gallery. Given the virtually unanimous admiration expressed at the presentation skills of the gallery's director, Neil MacGregor, who has managed the whole series without waving his arms, wearing a wimple.

or cracking bad jokes, and the cheer ing in the ranks at the sane and lucid techniques used by producer Patricia Wheatley, enabling us to see the pictures, more of the same will surely have to be commissioned by BBC2 controller Michael Jackson. Another nine programmes from the National Gallery, followed by 13 from the Tate and half a dozen from the National Portrait Gallery would be a reasonable start. MacGregor is one of those gifted people who can make the arcane transparent and convey it without ever seeming to "teach". His programme last week on 17th century landscape was masterly.

far better position than most were probably in previously to make up their own minds. What is so terrible

about that? Far more doubtful is The Trial Of O.J. Simpson, a real trial,

brought to us from Los Angeles where

everyone - including judge, lawyers and witnesses - now seems to be playing to the cameras. The effect

upon American law and society could be hideous, but that is scarcely the

Tuesday. What a pity that last

fault of the medium.

Wednesday. Programmes that are not "dumbing down" to appeal to the least demanding viewer now constitute such a small proportion of the output that it is a disaster when a strand such as The Late Show goes into the doldrums. Good, then, to report that it now seems to have emerged the other side. This is not to say all its ideas are succeeding, but at least it is having ideas. Admittedly tonight's subject, The Three Lives Of Lucie Cabrol, is from a story by John Berger who is scarcely a newcomer: he has always (rightly) been a Late Show favourite. Today's item makes the West End production seem so interesting that we phone the theatre was Sophie's World, a dramatisation of Jostein Gaarder's amazingly successful "novel" about the history of philosophy. Some of the techniques used in this programme were awfully reminiscent of the "yoof" nonsense in series such as Network 7, but it is difficult to think of any other BBC programme that would even bother to

developed their subject. On March 1,

her next premiere, The Strip, opens at

the Royal Court; I await it eagerly.

Disappeared, which has just had its world premiere in Leicester and will

tour Britain until April, is not her

most audacious work, but it shows

her widening her range. As it develops, it becomes enthralling.

the course of the play, disappears,

after last being seen leaving a bar in Hell's Kitchen (New York, New York)

with a stranger using the name of Timothy Creighton. What becomes of

her? We never discover. Yet, right up

to the last scene, we are still finding

out new things about her and about

Sarah Casey is the girl who, during



The Late Show looks up: Jessica Marshall Gardiner and Jim Carter in 'Sophie's World'

Thursday, if you had only heard about Jeremy Clarkson by word of mouth and never actually seen any of his reports on Top Gear or any of his current BBC2 series Jeremy Clarkson's Motorworld, you might imagine he was a bit of a card, even a bit of a clown, but hardly a serious journalist. In fact he is one of those rare people (David Attenborough and Alan Whicker are other exat Clarkson is more jokey) who have both a natural affinity with television and a flair for the spoken word. Like George Plimpton on US television in the 1960s and John Noakes on Blue Peter, Clarkson specialises in talking to the audience while performing dangerous stunts. Mounting a huge snowmobile in Iceland he says "This 180 horsepower machine has all the buoy-

Theatre/Alastair Macaulay

Enthralled by 'Disappeared'

ell, the policeman trying to trace her, and Timothy Creighton, a lawyer

whose name and clothes are, by

dreadful chance, employed by the

The latter, Elston Rapp, becomes indeed the most important, pathetic,

and unknowable character of all.

"Fate? or coincidence?" he keeps say-

ing to Sarah. It becomes increasingly

possible that he is simply innocent

and that he keeps frustrating Ted

Mitchell with unsatisfactory answers

simply to prolong a situation in which

he can for once communicate with

another human being. Nagy begins

and ends the play with different versions of that last scene in the bar. Is

main suspect.

ancy of a cathedral and I'm going to drive it on water". And he does. Howling around Italy in a Lamborghini Diablo be comments "This is a 5.7 litre vibrator". He also says "Looking good in a car in Italy is more important than looking where you're going" which is both neat phrase-making and absolutely true.

Friday. There are few sights in the **World funnier than a straight-faced** English quango trying to frame rules to save the rest of us from the effects of being human. The Independent Television Commission has decided that we must no longer see anybody in a commercial eating two chocolate bars: it goes against the rules laid down by government gauleiters in their "diet strategy". And the ad for Levi's with the black drag queen in a

Jack's version and one Elston's? The

rest of the play moves back and for-

ward in time, though Nagy only grad-

ually lets us find out when each scene

Disappeared reveals so much about

most of its characters that it reminds

me of Truman Capote's In Cold Blood

and the best detective fiction of Ray-

mond Chandler and Ed McBain. And

yet its ironies, its oblique methods, its

witty control of language almost for

its own sake remind me too of Ger-

trude Stein and Kurosawa's film

Rashomon. The play takes time to

This may be the fault of fair but

unexceptional direction by Derek Wax

cast any spell.

Broadcasting Standards Council, it has announced that it is upholding a complaint from a Mrs Tage of Kent that a cartoon called Peace On Earth, in which animals hear how man roys himself by making war, is too violent. So anti-war cartoons are out, and eating two Mars bars is strictly verboten. But stabbing? Go right ahead squire. A vivid nicture of the hole made in a man's chest by a rifle bullet? Absolutely. Murder by strangulation, suffocation, machine gun, machete, noose, knife? As often as you like. And we pay for these

New York cab, astonishing the driver

by having a shave? The ITC has

decided such transvestism must not

be shown before 9.00 pm. As for the

for his own Midnight Theatre Company. American accents (coached by Judith Windsor) are fair to good, but few of the actors project New Yorker physicality. Alexandra Gilbreath, with her bright, pretty, pushy little face, catches the reckless purposelessness of Sarah Casey. Kerry Shale plays Elston Rupp with a nice blend of frustration, worthlessness, and

mystery. No performance is less than good, but the play needs finer pacing, stronger atmosphere, higher tension, and, yes, more poetry. Tim Shortall has designed a handsome multi-purpose set. Nagy wrote the play in New York in the baking July of 1991. I was there then too, staying near the neighbour-hood of the bar in question. Fate? or

At the Haymarket Studios Theatre, Leicester, until February 25. Then touring England and Scotland until April 15.

Music in London

Mysteries of Bruckner

Bruckner perfor-mances in the Royal Festival Hall last week: impressive, both of them, but tantalisingly different - tantalising because it was so hard to discern just why the one carried such vital Affekt, and the other so little.

On Thursday, Bernard Hait-ink conducted the Vienna Philharmonic (here on one of their happily regular visits) in the Righth Symphony, Bruckner's largest and darkest. On Saturday we had the octogenarian Kurt Sanderling leading the Philharmonia through the Seventh, sunnier and lighter by Bruckner's standards, but still weighty matter by anyone

Haitink's account of the Eighth was exemplary, of its kind. He balanced the orchestral sound with subtlety, allotted every passage its due weight amid the whole work, built each climax steadily and judiciously. In the Finale, some of them were even mildly exciting. The stately paragraphs were properly indented, and declaimed with some eloquence. The seamlessness of it all was remarkable, with every transition smoothly accomplished.

You could hardly hope for a reading of the symphony that was more selfless and thoughtful. As always, it was a plea-sure to hear the VPO's sappy, homogeneous brass and their suave strings, in opulent numbers for the occasion. (Prompter reports than mine have rhapsodised too far, however: in fact the horns had an unlucky night - doubly unlucky in Bruckner - with too many notes splitting in exposed places. Those accidents happen with everybody's horns: I doubt that they explain why I found this worthy, earnest performance so bloodless and uninvolving.)

There was an instant clue when Sanderling began the Seventh Symphony on Saturday. Like the Eighth, it starts

low, gestating tune; but here the tremolo carried a batedbreath thrill that silenced the audience within seconds. As the music developed, Sanderling had no compunction about

making overt gear-changes, the better to display each new idea there was time enough to reconcile all his tempi later and we do not suppose that Bruckner composed with a metronome in hand. (Back in the 1960s. I remember British critics rebuking that faithful Brucknerian Eugen Jochum for just such expressive 'licence".)

The symphonic structure remained resilient and secure, while Sanderling made every episode run eagerly forward toward the next. Yet there were glades of pure, unhurried music-making too, when he let the Philharmonia's first-desk players - and once, memorably, all four clarinets - have free rein to carol away in Bruckner's most disarming vein, rustic and or playful Sanderling has an exact appreciation, matching Bruckner's own, of the pungent effect that a plain, "natural" instrument can make within an elaborate

symphony. In Haitink's civilised Bruckner, there is never anything so unbuttoned or volatile. His Eighth was a distinguished lesson in coming to terms with a knotty score, without any inkling that in practice some knots are best dealt with by the Gordian method: a swift chop between one discursive paragraph and the next, different one, relying upon the composer's inspiration to make sense of the juncture. There are risks in aiming too narrowly at smoothness and surface-continuity. Somehow Sanderling's Seventh encom passed all those things, exuberantly and effortlessly. In Bruckner, you probably need to be 80 before you can begin

David Murray

to imagine how to do that.

Quatuor Mosaiques

n the ten years of their existence Quatuor Mosaiques have drawn enthusiastic notices and made some acclaimed recordings. Their concert at the Wigmore Hall on Saturday evening was packed. The group consists of three Austrian members of Vienna's Concentus Musicus and the French cellist Christophe Coin. They play period instruments and their programme on Saturday took them from the G Major Quartet in Haydn's Opus 33 set, published in 1782, to Beethoven's Quartet in C sharp minor,

Opus 131, published in 1827. Haydn regarded his Opus 33 as something of a breakthrough, although the G major Quartet is not very forward-looking in the way the first violin dominates the other instruments. It has a characteristically witty, unpredictable scherzo, and these players shaped its provocative vagaries with stylish aplomb. They also played the first movement with tight-belted vigour and throughout the work their ensemble was faultless, perfectly blended.

Schubert's Quartet Move-ment in C minor of 1820 opens

up an altogether more disturb ing, even violent world. It is by turns smouldering and lyrical though its lyricism wears an almost wistful, regretful expression. It all seemed rather undercharged in this performance and the comparatively thin sound of the first violin

was inclined to turn sour. But the biggest disappointment came with Beethoven's long, searching Quartet in C sharp minor, with its seven continuous movements - the largest number of all his late quartets. It needs much stronger characterisation and drive than Quatuor Mosaiques gave it; Beethoven may have written that he composed the music "out of scattered fragments and snatches of movements", but therein lies its sense of growth as a whole - in fact, Beethoven considered this his greatest quartet. There was little idea of its enormous range of expression in this pofaced, passionless reading. The central variations seemed to lose their way, the schergo was staid and too slow, and the final allegro plodded. Merely a reading is what it remained.

Adrian Jack

INTERNATIONAL

■ AMSTERDAM

GALLERIES Rijksmuseum Tel: (020) 673 2121 Marbled, Chintz and Brocade Paper: an exhibition of decorated paper manufactured in and imported to the Low Countries in the 17th Century; to Feb 12 OPERÁ/BALLET Het Muziektheater Tel: (020) 551

 Mazeppa: by Tchaikovsky. A Netherlands Opera production conducted by Harmut Haenchen and directed by Richard Jones.; 7.30 pm; Feb 9, 11, 12 (1.30 pm), 14

■ BERLIN

OPERA/BALLET Deutsche Oper Tel: (030) 341 9249 Ein Maskenball: by Verdi.
 Conducted by Rafael Frühbeck de Burgos/Sebastian Lang-Lessing, produced by Götz Friedrich; 7.30

 L'Italiana in Algeri: by Rossini. Conducted by Ion Marin/Carlo Rizzi, produced by Jérôme Savary; 7 pm;

Soltesz, produced by Götz Friedrich; 7 pm: Feb 9

Schirn Kunsthalle Tel: (069) 29 98

artists.; to Feb 12

4000 Elgar, 7.30 pm; Feb 12 Festival Hall Tel: (0171) 928 8800 Feb 8

Royal Academy Tel: (0171) 439

Shostakovich; 7.30 pm; Feb 12 GALLERIES Hayward Tel: (0171) 261 0127

 Yves Klein: over 110 works conveying the full range of his output from paintings and sculpture to installations, events, architectural schemes to stage and film scenarios; from Feb 9 to Apr 23 National Portrait Tel: (0171) 306

 Christina Rossetti: an exploration of the Victorian poet on the centenary of her death; to Feb 12 OPERA/BALLET English National Opera Tel: (0171) 632 8300

 King Priam: a new production of Tippett's opera that opens the London festival - Tippett: Visions of Paradise, to celebrate the composer's 90th birthday; 7.30 pm;

Feb 9, 11 Rigoletto: Jonathan Miller's updated version of Verdi's opera where the duke is a maffa boss; 7.30 pm; Feb 10, 13 Royal Opera House Tel: (0171) 340

· Cosl Fan Tutte: by Mozart. A new production directed by Jonathan Miller, Conductor Evelino Pidó, In Italian with English surtitles; 7 pm; ● Der Rosenkavaller: by Strauss.

Conducted by Andrew Davis, directed by John Schlesinger. Soloists include Felicity Lott/Anna Tomowa-Sintow as Prinzess von Werdenberg; 6,30 pm; Feb 11 Gisetle: music by Adolphe Adam, A Royal Ballet production choreographed by Marius Petipa after Jean Corall and Jules Perrot and produced by Peter Wright; 7.30 pm; Feb 9. 14

La Bohéme: by Puccini.

Conducted by Simone Young/ Paul Wynne Griffiths, directed by John Copley. Soloists include Angela Gheorghiu/ Amanda Thane as Mimi Produced by John Cox, conducted and Maria McLaughlin/ Judith Howarth as Musetta; 7.30 pm; Feb by David Atherton; 8 pm; Feb 9, 11,

THEATRE National, Cottesioe Tel: (0171) 928

● Dealer's Choice: written and directed by Patrick Marber, six men stay up late to play poker, and win at all costs; 7.30 pm; Feb 9 (7 pm), 10, 11 (2.30 pm) National, Lytteiton Tel: (0171) 928

The Children's Hour by Lillian Hellman, directed by Howard Davies; 7.30 pm; Feb 9, 10, 11 (2.15

National, Ofivier Tel: (0171) 928

The Merry Wives of Windsor: by Shakespeare. Terry Hands directs his first production at the National With Denis Quilley as Falstaff, Brenda Bruce as Mistress Quickly and Geraldine Fitzgerald as Mistress Ford; 7.15 pm; Feb 8, 9 (2 pm)

■ MADRID

GALLERIES Fundación Juan March Tel: (91) 435 48 40/435 42 40 ■ Klimt-Kokoschka-Schiele: exhibition of 35 works by the three Viennese artists; to May 21

■ NEW YORK

OPERA/BALLET Metropolitan Tel: (212) 362 6000 Cavalleria Rusticana / Pagliacci: by Mascagni/Leoncavallo. Production by Franco Zefirelli,

conductor Christian Badea; 8 pm; Feb 10 Il Barbiere di Siviglia: by Rossini.

La Traviata: by Verdi. Produced by Franco Zeffirelli, conducted by John Fiore; 8 pm; Feb 13 Turandot by Puccini. Produced by Franco Zeffirelli, conducted by Nello Santi; 8 pm; Feb 8, 11 (1.30

Joseph Papp Public Theatre Tel: (212) 598 7150 The Merchant of Venice: by Shakespeare. Directed by Barry Edelstein, and with Ron Leibman

playing Shylock; 8 pm; (Not Mon) Perry Street Tel: (212) 307 4100 Dylan Thomas: Return Journey and The Truman Capote Talk Show Two one man shows written by and starring Bob Kingdom. Direction by Anthony Hopkins and Kevin Knight, to Feb 11

PARIS

CONCERTS Champs Elysées Tel: (1) 47 23 37 21/47 20 08 24

 Alban Berg Quartet: plays Haydn, Webern and Beethoven; 8.30 pm; Feb 14 GALLERIES Musée d'Orsay Tel: (1) 45 49 11 11 James McNeill Whistler:

exhibition of works; from Feb 8 to Apr 30 OPERA/BALLET

Châtelet Tel: (1) 40 28 28 40 King Arthur: music by Purcell. A William Christie and Graham Vick production; from Feb 9 to Feb 19 Océra National de Paris, Bastille

Tel: (1) 47 42 57 50 La Damnation de Faust: by Berlioz, Conducted by Myung-Whun Chung and produced by Luca Ronconi, Soloists include Béatrice Uria-Monzon as Marguerite, and Thomas Moser/Gary Lakes as Faust; 7.30 pm; Feb 9, 12 (3 pm) Lucia di Lammermoor: by Donizetti. A new production by Andrei Serban. Maurizio Benini and Roberto Abbado (from April) conduct the Orchestra and Chorus of the Paris National Opera; 7.30 pm; Feb 8, 11, 14

■ WASHINGTON CONCERTS Kennedy Center Tel: (202) 467

4600 National Symphony Orchestra: with violinist Cho-Liang Lin. Paavo Berglund conducts Kokkonen. Tchaikovsky and Brahms; 8.30 pm; Feb 9, 10 **GALLERIES**

Corcoran Tel: (202) 638 3211 Family Lives: photographs by Tina Barney, Nic Nicosia and Catherine Wagner. Exhibition explores the power of photography to subvert or reinvent our experience and understanding of events and relationships; to Feb 13 OPERA/BALLET Washington Opera Tel: (202) 416

7800 Semele: by Handel, Conductor Martin Peartman. Roman Terleckyj directs a Zack Brown production; 8 om: Feb 9 The Bartered Bride: by Smetana.

Conducted by Heinz Fricke. In

English: 8 pm: Feb 8

WORLD SERVICE BBC for Europe can be received in western Europe on Medium Wave 648 kHZ

EUROPEAN CABLE AND SATELLITE **BUSINESS TV** (Central European Time) MONDAY TO FRIDAY

NBC/Super Channel:

FT Business Morning

10.00 European Money Wheel Nonstop live coverage until 14.00 of European business and the financial markets

Financial Times Business

Midnight Financial Times Business Toniaht

Edward Mortimer



Perhaps Europe's clearest common interest is the maintenance of a firm strategic relationship with the US Three times this century the US has proved

itself the indispensable guaran tor of European freedom and stability. America is indeed "A European Power", the phrase used by Richard Holbrooke, assistant secretary of state for European affairs, as the title of his article in the forthcoming issue of the journal Foreign Affairs. So much so that, for many purposes, it makes as much sense to speak of an "Atlantic community" of interests and values as it does to speak of a purely European community.

In Munich last weekend, at the annual gathering of Nato defence ministers and other security buffs known as the Wehrkunde Tagung, there was much talk of giving expression to this Atlantic community in some new pact or treaty. This would go beyond the defensive military alliance already embodied in Nato and deal with the whole web of relationships, including economics and trade. But it was also suggested that this should be a partnership between equals. Nato, according to one French participant who claimed to be quoting an American friend, had been "a Mormon marriage", with the US as a benevolent patriarch lording it over a multiplicity of grateful European consorts. What was now needed was a modern marriage between two equal partners.

This is not a new idea. It goes back at least to John F. Kennedy's Philadelphia speech in 1962, when he called for an alliance based on two equal pillars. So far it has always failed because for strategic purposes the European pillar is not there. It is there for trade purposes, but in trade the EU and US do not treat each other as allies. This is no coincidence: modern marriages between equals are harder to manage than the Mormon variety. So should we carry on with

Nato, Mormon-style? For better or worse, that hardly looks possible. Without a Soviet threat, Europeans are less inclined to shelter under the strong right arm of an American patriarch; and the patriarch on his side sees less need to exert himself for their pro-

An unequal match

> The Atlantic alliance is in bad shape after the cold war

tection. True, the new US Congress is calling for the expansion of Nato. But last week the international security committee of the House of Representatives deleted the clause in the proposed "national security revitalisation act" requiring that Poland, Hungary, the Czech Republic and Slovakia be prepared for accession to

Nato by January 10 1999. This, we were told in Munich by a member of the committee, Rep Norman Sisisky, "does not reflect any lessening of support for enlargement". Perhaps not, but it does suggest a dawning

Nato was 'a Mormon union' of a US patriarch and a multiplicity of **European consorts**

awareness that the process involves costs and risks which will have to be carefully weighed. Meanwhile, the same Congress refused to underwrite loan guarantees for Mexico, even when offered Mexico's abundant and much-prized oil resources as collateral. Will a nation that is unwilling to pledge dollars to save its nearest neighbour and key trading partner from bankruptcy really undertake to go to war to save Hungary or Slovakia from an as yet unspecified aggressor which is what Nato expansion means if it means anything at all? It is a question Europeans are bound to ask.

Americans, on their side. ask how deep is Europe's commitment to the community of values, since Europe anpears willing to ratify the outcome of aggression and genocide in Bosnia, elevating the aggressor to the rank of peace-

utstanding claims on old insurance policies, some dating back decades, have long cast a shadow over maker and statesman In Munich, Republican and Democratic senators alike the prospects of Lloyd's of London. Provisions for such claims urged warlike action by Nato largely explain why Lloyd's to force Serb concessions in has run up losses in excess of Bosnia, and the Republicans 27bn in recent years. warned that failing this they would vote to lift the arms embargo, which they regard as

contrary to the UN Charter

and to international law. Euro-

peans without exception, from

UK defence secretary Malcolm

Rifkind to German foreign

minister Klaus Kinkel, warned

that this would force a pull-out

of UN forces (Unprofor), would

lead to an all-out war in Bosnia

with disastrous consequences for the civilian population, and

might spark a conflagration in

the southern Balkans which

could easily involve Nato mem-

So Europe has found a voice

and a message for the US. But

it is a depressingly negative one. It consists of warning

against irresponsibility, self-righteousness and the abstract

assertion of moral principle. It

involves vaunting the merits of a holding operation that has at

best contained the war, and of

a peace process that shows no

sign of producing the Serb con-

cessions which alone would

give it any prospect of success. It draws attention to the dan-

ger of the war spreading but neither explains how the pres-

helps to prevent war in Kosovo

or Macedonia, nor proposes any more direct means of

doing so. Indeed it ignores the

fact that it is the US, by sta-

tioning troops in Macedonia and giving an explicit warning

to Serbia on Kosovo, that can

claim most credit for "contain-

The Balkan clock is ticking. President Franjo Tudjman of

Croatia has ordered UN troops

out of his country by March 31.

The ceasefire in Bosnia expires on April 30. Mr William Perry, US defence secretary, said he

expects "resolution" of the con-

gressional debate on the arms

embargo "within a month or

so". If Unprofor withdraws, the

US is pledged to send troops to

cover its withdrawal, which

will probably happen in the

midst of intense fighting, with

the Moslem enclaves in eastern

Bosnia being the likely first

casualties. Whatever the out-

come, it seems virtually cer-

tain to be accompanied by a more virulent outburst of

Sorry to have to say it, folks.

The alliance is not in good

transatlantic recriminations.

ing the conflict up to now.

ice of Unprofor in Bosnia

bers Greece and Turkey.

Later this month, the insurance market is due to publish a first guide to the proposed structure of Equitas, a new company intended to take over responsibility for billions of pounds of as yet unquantified liabilities from US asbestosis and pollution claims.

The aim is that by the end of this year, liabilities on insur-ance policies sold in 1985 and before, together with sufficient reserves to meet claims, will be ured" - or moved - into Equitas, formerly known as Newco. Post-1985 liabilities could be moved into Equitas at a later date.

No figures have been given yet but for many Names the terms of reinsurance deals may mean they have to make an additional payment to Lloyd's - a move unlikely to be greeted with enthusiasm. But Lloyd's believes it has little alternative to ensuring the

project's success. Without Equitas, the market would remain blighted by its past, deterring corporate capital needed to replace funds from the thousands of Names (individuals whose assets have traditionally supported the insurance market) who have stopped underwriting. Uncertainty would remain about the cost of Names' liabilities - and when they might arise.

Equitas could also prove important in attempts at forging an out-of-court settlement with Names now suing Lloyd's professional agents for comoensation. Many will not agree to drop litigation unless their debts to Lloyd's are "capped" and they can resign from the market knowing they have paid their final bill. For those with "old year" liabilities, Equitas may provide the only means of achieving that.

Standard & Poor's, the USbased rating agency, says Lloyd's attempts to return to long-term prosperity are akin to a game of Snakes and Ladders. Progress is made on one front - the market is now trading profitably, for instance but Lloyd's still faces pitfalls. The failure of Equitas, it says, would be "the longest snake of them all". The Equitas plan is breath-

taking not just because of the cost if it fails. The liabilities involved are likely to put it on

Ralph Atkins on Equitas, a new company to take over billions of pounds of old liabilities at Lloyd's

Payment for past excesses



Heidi Hutter, Equitas project director: 'climbing the Matterhorn of the insurance world'

reinsurance companies. More than 100 auditors and accountants are scrutinising the records of Lloyd's syndicates, many of them sketchy and dating back to the 1930s. New actuarial techniques are being developed to gauge possible claims in an area where nor-

mal forecasting techniques are umreliable Project director Ms Heidi Hutter says: "We may have started from well behind because we didn't have databases and the like but we're very rapidly moving up in terms of technology. I think we're going to outstrip the insurance industry in the way

we look at reserves." Already the project's com puters hold details of 54,000 reinsurance policies taken out by Lloyd's underwriters over many years to protect themselves against excessive losses. Some of the risks were placed with Lloyd's underwriters; others offer the chance of recouping finance from outside insur-

The project's attraction which Lloyd's leaders believe ing the logistical hurdles - is

a par with the world's largest the potential for economies of scale. Ms Hutter has identified at least three areas where Equitas can produce substantial cost savings:

 Reinsurance contracts Equitas should be able to cut through the tangled net of offsetting reinsurance deals between Lloyd's syndicates and outside insurers. By deciding quickly who is owed money, Equitas should imme-diately improve cash flow. • Claims handling. Equitas

will have more clout in negotiations with policyholders. In many cases it might be able to reach deals releasing Lloyd's entirely from future obligations. At present the number of Lloyd's syndicates behind many policies makes negotiations time-consuming and com-

 Investment strategy. Unlike Lloyd's syndicates which are annual ventures, Equitas will be able to take a long-term approach, matching its investments closely with the likely pattern of liabilities. That should boost investment income and reduce the initial premium Names have to pay to offload their liabilities. In a letter to Names this

week, Mr David Rowland chairman of Lloyd's, hinted that the investment strategy was critical to keeping the cost of Equitas to affordable levels. He said early, unpublished estimates on reserves likely to be required by Equitas "con-firmed the need to discount the liabilities" by taking account

of future investment income.

There could be significant tax savings. Equitas is expected to be regulated by the UK Trade and Industry department but some observers suggest parts might be based offshore to take advantage of more generous fiscal regimes. Yet despite the apparent cost

advantages it is not yet clear whether Equitas is viable. Names are unlikely to receive figures on the premiums each insurance syndicate will have to pay to have old years' liabilities reinsured until late this summer. Nobody working on the Equitas project is prepared to guess by how much they will exceed Lloyd's reserves. and whether the gap will be bridgeable from Names' resources. The insurance market's central funds might also sed but are of limited size. And in some respects. Equi-

tas could actually increase Lloyd's difficulties in matching assets with liabilities. Names on Lloyd's syndicates with the greatest exposure to possible claims may have to pay most to have their Habilities taken over by Equitas. But these Names are the ones already facing the greatest financial strains created by incompetent and sometimes negligent underwriting in the late 1980s and early 1990s. They may simMACIAL

فرهندان والمرا

يه نيد دد،

70.9

Same Same

and and strongs.

त कराव्यु संस्कृ

- C.

A Section

a na indicate d

The second second second

T pr (42) 500

ply not be able to pay At the same time, Equitas is forcing Lloyd's to address issues that could be delayed, it is having to price insurance claims it might receive over a period of many years, possibly decades, and then work out how it might pay them. Now is arguably precisely the wrong time for such an exercise. With Lloyd's financial fortunes at a low point - further losses are expected to be announced in May - Names' finances face the greatest strain.

that the efficiency savings available might even make Equitas profitable. Certainly that is Ms Hutter's ambition. It would make Equitas much more attractive to Names: ofter having paid to join, they would get a dividend in subsequent years if claims paid out by Equitas fell short of levels provided at its formation.

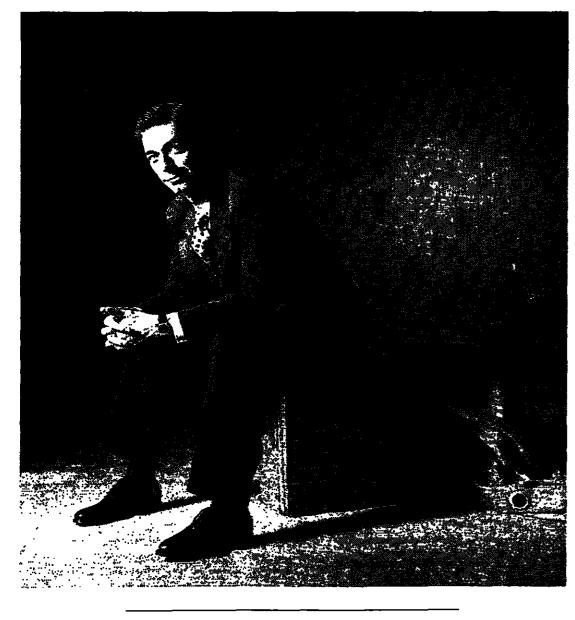
The prospect of profits would also help attract venture capi-tal into Equitas. Lloyd's has appointed N.M. Rothschild, the merchant bank, to advise on the structure and financing of Equitos and it may well recommend that the funds provided by Names or by Lloyd's centrally need topping up. Extra capital could provide a financial cushion, allowing Equitas to meet regulators' solvency

requirements. If successful, Equitas could use its expertise to attract other custom, for example taking over other long-term policies from insurance companies that want to wind down their

Lloyd's leaders, battling to ensure the insurance market's long-term survival, would be content merely to see Equitas operating successfully at the end of this year - and finally offering relief from the problems of Lloyd's past. Problems from policies written years ago are shared with many of the world's insurers. But Lloyd's solution is unique.

As project director Ms Hutter says. Lloyd's is "setting out to climb the Matterborn of the smance world".

When there's international business at stake, we put our best people on the case.



We may not have a global branch network. But we do have a rapid-response task force of fast-thinking staff, ready to roll whenever you need them.

L-Bank is the development agency of the German federal state of Baden-Württemberg. Not the biggest of banks perhaps, but certainly one of the most ambitious. As an international issuer, L-Bank has risen to join the world's top ten. And in global corporate finance, too, L-Bank maintains a high profile. Not through high-rise

pomp and splendor but through high personal commitment. A single call is all it takes to bring one of our corporate finance experts jetting to your side. With no branch office blocking the way, your wishes reach the ears of the people who count, at head office, directly. Short decisionmaking paths save time and money - Landeskreditbank Baden-Württemberg

yours and ours. Small wonder, then, that we send our best people packing. L-Bank, Schlossplatz 10/12, D-76113 Karlsruhe, Germany. Telephone INT 721/150-0.

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5938 (please set fax to 'fine').

Returning power to the elites

From G Rayner. Sir, Michael Prowse is right in discerning the recent popularity of the writings of Alexis de Tocqueville among the Americans who talk about these things ("De Tocqueville is back in fashion", February 6). However, in endorsing de Tocqueville's preference for minimal federal government, he also reproduces the partiality of Tocquevillian sociology. Historical studies show that by the 1890s there was already a vast accretion of wealth and privilege - and hence power -in American society, a fact which Democracy in America, with its ideology of fragmenta-tion, decentralisation and pri-

vatism, tends to mask. Nor did the federal government, so much disliked by House speaker Newt Gingrich and his ilk - hardly modern Tocquevillians, these - grow simply through the aggrandisement of bureaucrats as Prowse supposes, but rather through a host of factors, ranging from the civil war in the last cen-tury, to attempts to establish limited forms of social protection in this. Giving power back to the states would create the large variety of levels of social provision that Prowse diagnoses. But it would also represent the return to power of those local elites for whom the limited remedies of the Kennedy-Johnson era were anathema.

G Rayner, 9 Dalebury Road, London SW17 7HQ From Dr B R Orton and Hungary has a democratic gov- trally planned economies are Ms D A Vorsatz.

LETTERS TO

Sir, Hungary has suffered many adverse comments in your paper in recent months for slowing its path to capitalism. Examples include your Hungary Survey (November 11 1994) and the article "Hungary's sell-off plans cast into doubt" (January 13 1995). Moreover, Samuel Brittan, when posing the question of where the next financial shock will come after Mexico, suggested that "Hungary needs to be watched" ("Davos Notebook", February 2). But in your most recent article, "Yearning for the old

familiar" (February 4/5) - a trait unknown to the English it is at least acknowledged that ernment. It therefore has the right to run its own affairs and may wish to slow the pace of the state sell-off. This would be particularly beneficial in the electrical power sector, which is to be offered for sale and where 43 per cent of supply comes from nuclear power.

Hungary right on state sell-off

THE EDITOR

It is estimated in the US that 49 per cent of all electricity could be saved with the cost-effective application of efficient end use. In the reforming economies of eastern Europe the potential for savings is even higher, since energy is used

very wastefully.

Energy intensities (unit of energy necessary to produce one unit of gross domestic product) of these formerly centwo to five times higher than those of western Europe. Consequently, in the next one or two decades, the first power generation option in Hungary should be the improvement in energy efficiency to replace present generating capacity, including nuclear power. It will not be a simple matter

to carry this out successfully, and government intervention will be needed to benefit both Hungarians and investors. B R Orton, Physics Department,

Brunel University, UK D A Vorsatz, Energy and Environment Division. Lawrence Berkeley Laboratory,

Turkey customs union raises steel concern

From Maria Alois. Sir, Re your editorial, "EU and Turkey" (February 2), please let me point out that our steel producers feel very concerned at the implications of a customs union with Turkey. Since free market also means free competition, we are seeking a precise guarantee that all distortions of competition and unfair practices will be effectively abolished by Tur-Actually, Turkey last year

produced 12m tonnes of steel and is the world's largest exporter of light long steel products (about 6m tonnes). During 1993, about 6m tonnes

of ferrous scrap were purchased in western Europe and subsidies are granted for the transport of this raw material, provoking high tension on the market both at supply and

price levels.
So the problem is not exclusively a political one, but rather an economic one, and we are just asking for the abolition of subsidies for steel production. Maria Alois,

secretary general, European Independent Steehoorks Association, Rue Relliard 205. 1040 Brussels,

Still visiting galleries

From Mr Stephen Pollard.

Sir, Antony Thorncroft's bizarre article "Keying into culture" (February 6) posits the suggestion that "new tech-nology" might mean the end of gallery going, "as we choose to gaze on priceless works of art in the comfort of our homes". I do not know how Thorncroft has been receiving information over the years, but I have got mine from books. Many of my books have reproductions of paintings in them. I still go to galleries. Stephen Pollard. Fabian Society,

Unreliable basis to consider for entrance to Oxford University It is quite extraordinary, in a

From Mrs Alison Wolf. Sir, It is overwhelmingly probable that Oxford University will this week vote to abolish its entrance examination In the future, entry will depend largely on the subjective judg-ment of the one or two individual academics who interview a

There is in fact overwhelming research evidence that interviews are a completely unreliable basis for selection at any level

It is unclear why Oxford dons should be an exception to the general rule; still less why they, of all people, feel so san-

guine about ignoring the evidence of academic research.

The division of Oxford into separate colleges, each control-ling its own admissions, makes the whole process yet more random. One college may, one

year, receive 50 applications for eight places in a given subject while another receives 10. The next year the situation may be reversed. Unstable fluctuations are built into the system, since applicants have no relevant information on which to base their choice of college. To claim that candidates will face equal or fair odds beggars belief. modern society, for entry to a key elite institution to be determined in this way. In most countries, university entrance is completely determined by fixed, "objective"

The huge and growing importance of higher education for people's lives, and its cost to the public purse, creates a pressure for transparent and fair procedures. Oxbridge is not obviously

decreasing in importance as a route into the UK elite. It is therefore unlikely that its academics will continue indefi-

nitely to monopolise decisions over who may enter.

This week's Oxford vote may figure as the prelude to a new assertion of government control, equivalent to the 19th century reforms which first forcibly introduced entrance examination for Oxford and Cambridge. Alison Wolf, co-director.

International Centre for Research on Assessment, Institute of Education. University of London, 20 Bedford Way. London WCIH GAP, UK

•⊹_ح_∸

-

And the state of t

45

हे**ब**ें स्ट्रिंग

<u>, 200</u> . 1812 °

or interest

gganterson - 1

e teite

े कुंक, जाता

900 1 200 640

ing grade in

7,5 = - 1

्रिक् इ.

mai.

Appendig to the second

And the second

37 - - -

달리는 1일 기기

الا بالا بالا العلي العلي

agteur inn

<u>...</u> . = · · · ·

145.00

e de la composition della comp

7 ...

(se: - -:

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700 Wednesday February 8 1995

Mexico's rescue

Not only are some banks too big to fail, but at least one country is, it appears, also too close to the US to fail. This is itself worrying because it must aggravate the moral hazard affecting Mexican policy. But bigger questions are raised by the reaction to recent events. In particular, is such a huge intervention justified? And how should such crises be handled

There are two reasons why these questions matter. First, such crises will recur, since capital markets will always be skittish and governments similarly foolish. Second, the handling of this particular crisis has been a catalogue of errors, starting with the accumulation of short-term debt by the previous Mexican government and the bungled devaluation by the present one, proceeding via the failure of the Clinton administration to win congressional approval for the first rescue plan, ending with the second plan and resultant friction between the US and several European countries.

Why was it necessary to offer as much as \$50bn to Mexico? People as serious as Mr Alan Greenspan, chairman of the Federal Reserve, and Mr Michel Camdessus, director general of the International Monetary Fund, insist that Mexico's difficulties threatened a "systemic crisis". Mr Camdessus has even warned of "a true world catastrophe", particularly if Mexico had been forced to adopt exchange controls.

Large losses

It is impossible to evaluate this sort of claim with any confidence. Maybe a systemic crisis was threatened. But it would be good to know what it was. Large losses by bond funds pose no such threat. Nor do difficulties in even quite a number of developing countries. A serious risk to core financial institutions, particularly banks, might indeed threaten such a crisis. But the difference between recent flows and those that precipitated the debt crisis of

behaviour that will lead to the can they continue to justify relinext one. Investors will, for exam- ance on private capital flows to ple, now be encouraged to advance developing countries at all?

short-term funds in the helief that industrial countries will take care of any liquidity problems. This is a sure way of making the financial system more fragile under the guise of making it safer.

How should such crises be han-

dled? The answer must be rou-tinely, since they will hardly be rare events. One part of such action should be debt restructur-ing. Where a liquidity crisis arises on short-term debt, investors should be expected to offer longer maturities. Meanwhile, assistance from a body like the IMF is justified, but mainly by the need to slow the pace of adjustment towards smaller external deficits. The case for this is to limit the hardship imposed on the Mexican people by the need to reduce the current account deficit.

Damaged credibility

The way this challenge has been handled has been unfortunate. It has, for example, damaged both the credibility of the US govern-ment and its relations with allies, which underlines why international institutions were set up in the first place. If such an operation was required, either total IMF resources or their accessibility for any individual borrower needs to be enhanced. But other institutional changes are also needed. One is more effective monitoring of short-term sovereign borrowing. Another is greater willingness to challenge exchange-rate policies. Such attempts to police countries more closely is bound to be unpopular. But if rescues on the present scale are to be mounted, this is the least borrowers can

And despite the strength of the The fundamental issue, howyen, the big three's Japanese competitors did not yield any ground last year, increasing their share in ever, is what this huge rescue signifies. Mr Camdessus argues that the intervention has been required the US car and light truck market to underpin the credibility of the to 23.2 per cent from 23.1 per cent in market-oriented approach to 1993. Mr Bob Eaton. Chrysler chairdevelopment. What it does is man and chief executive, accepts undermine it. It does so by substithe sobering fact that Toyota, the tuting official for private capital, leading Japanese carmaker, is now restructuring "to be competitive by offering implicit insurance to with the yen at 80 or 90 to the private capital flows, by making 1982 was supposed to be the relatively small role played by banks this time. unsound private finance more probable and, most important, by indicating a lack of confidence in European carmakers too are staging a modest comeback, especially What is certain is that action to the self-correcting capacity of avert an alleged systemic crisis is financial markets. If this is what bound to encourage the kind of the authorities really believe, how

Speculation in commodities

A little over a year ago global bond markets collapsed. Soon after, it was the turn of the emerging markets, which suffered, first, from the bond market backwash, then from the consequences of the Mexican devaluation. This week the pressure has fallen on com-modities, which on Monday saw sharp falls, especially in industrial metals. Analysts who believe in a financial equivalent of the domino theory may be tempted to cite commodities in support of their thesis that the world is in the grip of a bear market which will culminate in an equity market collapse on Wall Street. Yet the underlying forces point to a less simplistic explanation for the recent behav-

iour of commodity prices.

Between 1900 and 1980 the aggregate price of commodities declined steadily in real terms, even allowing for strong upsurges in the first world war and during the oil crisis of the mid-1970s. Then prices went into a tailspin. On World Bank estimates, the value of real commodities more than halved between 1980 and 1993. Last year saw an abrupt about-turn, notably in base metals, cotton and rubber, from a very low base. Copper rose by more than 70 per cent, while aluminium rose by more than 80 per cent. Many investors claimed to be looking for a hedge against a renewed inflationary threat. Yet gold, traditionally a safe haven against inflationary excess, has remained subdued.

Straightforward bet

The clear implication is that speculators have been viewing industrial non-oil commodities as a straightforward bet on a recovery in world demand. The proximate cause of the sell-off on Monday was in fact the weakness of the US unemployment figures on the previous Friday. This was taken to mean that the US Fed's successive interest rate increases were finally taking effect and that the economy was slowing down. On that basis, demand for commodities that were sensitive to recovery might have been expec-

ted to weaken. This hardly supports the domino theory, since lower growth in the US would be good for bonds. And indeed bonds soared on Friday. So did equities, on the basis need for commodities.

bring forward the peak of the phrage in commodities; and the wider evidence of a US slowdown remains, as yet, flimsy. This tells us that speculators are at play.

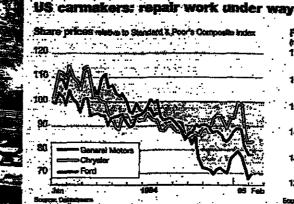
Easy exposure

Many of those speculators come from the banking community.
According to HSBC Greenwell. banks are now estimated to con-trol around 75 per cent of stocks on a much rejuvenated London Metal Exchange. When profits from proprietary trading in bonds turned into losses last year, commodities appeared to offer a poten-tially profitable diversion from conventional securities. Meantime, US investment banks have been trying to persuade pension fund clients to treat commodities as a separate asset category to rank with equities, bonds and real estate. Warrants and futures have been devised to give easy (and leveraged) exposure to the com-modities markets. The tempting argument is that commodities provide worthwhile diversification from bonds because they are not vulnerable to inflation.

The snag with this argument is that they are an exceptionally speculative form of diversification because they yield no income. The commodity markets are volatile, compared with the world's main bond markets. And over the long run commodity prices have not been any hedge at all against inflation as the industrialised countries' economies have become less commodity-intensive and their governments have granted ever larger subsidies for agricultural production, imposing down-ward pressure on food prices.

There have, admittedly, been periods in which commodities have provided a a short-run antiinflationary bedge. But they are not easy to spot in advance. And since statistical evidence suggests most fund managers neither consistently outperform or underperform, the case against treating a volatile, incomeless asset as a suitable investment for tax-privileged fiduciary funds looks overwhelm-ing. Markets need stabilising speculation, but pensioners have no





Motown are sing-

ing out of time. For

months, the finan-

cial markets have

marked down the share prices of

the big three US carmakers just as

Chrysler, Ford or General Motors

have announced one record profit

In recent weeks the dissonance has worsened. Wall Street senses that its forecasts of slower US sales

are becoming reality. The car-

makers disagree, insisting that the

US economic recovery, which has boosted car sales, still has some

Much is at stake. The big three

are labouring to finish the repair work on balance sheets badly bat-

tered by the last recession, in time

The competitiveness of US vehicle

makers has improved greatly dur-

ing the past three years, both through their own efforts and

because of the rapid appreciation of

the yen, which has hurt their Japa-

But the tell-tale signs to support the financial markets' pessimism

cannot be denied. Rebates and other

sales incentives for car-buyers - cut

in the recovery to the great benefit

of the manufacturers' bottom lines

cars grew in the fourth quarter last

year, prompting a cut in output at

some plants last month. Overall

vehicle production in North Amer-

ica continued to rise by a healthy

8.1 per cent in the first five weeks

this year, but the first sales results

look more anaemic: sales of cars

and light trucks in January dipped

by 2 per cent year-on-year to just

over im units.

Dealer inventories of some small

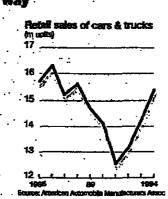
~ are increasingly in evidence.

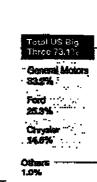
for the next downturn.

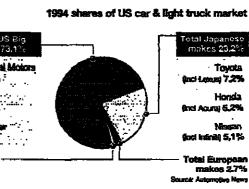
after another.

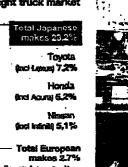
way to run.

م كذا من الاجل









Wall Street's Motown blues

US carmakers made big profits in 1994, but stockbrokers reckon sales may have peaked, says Kevin Done

in the higher reaches of the market, where BMW, Mercedes-Benz and quickly." Sales reached a low point during the last recession of 12.5m in 1991. Volvo are all significant players. For the first time in a decade, Euro-pean carmakers are developing sembly plants in the US. New challengers are also emerging from South Korea, with Kia launching last year and Daewoo expected in

Another problem for US car manufacturers is the rise in interest rates. The US Federal Reserve's move to raise short-term rates to 6 per cent last week was the seventh increase in a year-long succession of rises, raising doubts about the continued resilience of sales.

Carmakers are concerned that the interest rate increases could soon start to erode consumer confidence. The level of confidence remains very high," Mr Alex Trotman, chairman and chief executive of Ford, the second largest US carmaker, said last week. "But this is a fragile thing, we've seen it before. It can be

Net profibloss \$5m*

The Big Three US carmakers: stepping on the gas

There was no doubt about the robustness of the market in 1994. Last week Ford unveiled record net profits for last year of \$5.3bn - more than double the earnings of a year earlier. Chrysler, the smallest but most profitable of the big three US carmakers, has reported a 53.7 per cent jump in net profits for last year to a record \$3.7bn, while GM has unveiled a 99 per cent rise in net profits to \$4.9bm

US vehicle sales - total cars and trucks - rose for three years in succession from 1992 to 1994, including an increase of 8.5 per cent to 15.4m last year, the industry's strongest

performance since 1988. Despite the doubters in Wall Street, Ford is still forecasting a further rise in new vehicle sales this year to between 15.8m and 15.9m, which would make 1995 the US motor industry's second best year behind the 1986 peak of 16.3m.

In recent years, the strong recovery in volume sales and production has allowed the big three greatly to improve plant capacity utilisation. to reduce costly sales incentives and to improve margins. They have also restructured to introduce lean manufacturing methods, to improve the efficiency of their new model

and to raise quality. The pace is relentless and the high earnings are needed to fund future product programmes. Chrysler is preparing to pour close to \$23bn into spending on new product development and plant improvements in the five years from 1995 to 1999, compared with the \$15.6bn spent from 1990 to 1994.

design and engineering operations

It is aiming to introduce more flexible manufacturing processes, bolder designs and shorter product

Undoubtedly Chrysler is best prepared for bad news. The group, which was close to financial col-lapse in the depth of the last recession at the beginning of the 1990s. has achieved a dramatic financial turnround from a net loss of \$538m

It has now fully funded its pension fund for the first time in nearly 40 years with a payment of \$2.6bn in 1994, finally eliminating the \$4.4bn pension liability it faced in 1991. Chrysler, whose debt had sunk to

junk bond status in 1991, has been transformed into a formidable cash enerating machine. It has reached its goal of creating more than \$7.5bn in liquid assets in preparation for the next downturn in the

The group has veered wildly between feast and famine, coming close to financial collapse twice in the past 15 years, and Mr Eaton says his personal ambition "is to be the first chairman never to lead a Chrysler comeback". GM's strength for several years

has been its international automotive operations, which earned net profits of \$1.58bn last year (\$1.1bn in 1993) compared with Ford's \$784m (a loss of \$542m in 1993). But in North America - the market it dominates with a 33 per cent of US sales - GM is only now emerging from financial trouble.

Its North American automotive operations (NAO) earned a net profit of \$690m last year, the first annual profit since 1989, but that still represented a net profit margin of only 0.7 per cent in the fourthbest year ever for US new vehicle sales. GM, in other words, is ill-prepared for any premature weakening

r Rick Wagoner, GM's NAO presi-dent since July last year, admits: "The reality and results at GM do not yet come close to matching our expectations. In spite of the progress we've made, if we don't continue to make a lot more progress in our cost structure by the next major downturn, it will not be pleasant for us at GM, and we are really focused on that fact."

Wall Street, the carmakers say, has nevertheless jumped the gun in marking down share prices. Ford's share price has fallen by 26 per cent during the past 12 months, Chrys ler's by 27 per cent and GM's by 38 per cent. Grudgingly the share prices have moved upwards a little in response to the 1994 figures. which were better than expected but the markets remain cautious. In the short term the financial

markets may be fixated on secondguessing when the US car market will peak, but for the carmakers it is more a question of becoming fit to survive at any point in the trading cycle. "By making changes now we believe we'll be prepared not just to survive the next cyclical automotive trade cycle, two years but to prosper and grow in the 21st

The limits to Ulster's cross-border links



the framework document setting out UK-Irish proposals for a lasting political settlement in Northern Ireland Northern Ireland PERSONAL have cast unionists VIEW once again in a neg-

ative role. Why have they been left with no alternative but to declare "Ulster says No"? It is because the framework document appears to favour minority nationalist aspirations at the expense of the majority unionist position.

Most people in Northern Ireland will accept a settlement in which the province stays in the UK and also has an elected assembly to administer the departments of government in Belfast. It would be acceptable for departments to be administered by committees, whose membership reflected the electoral strengths of all political parties, including Sinn Féin, the IRA's polit-ical wing. Committee chairman-

Leaked reports of ships would be shared between parties. This would resemble the European Parliament system. But the principal problem is the

Irish dimension. After 20 years of UK and Irish membership of the European Union, there is more reason than ever for co-operation between Northern Ireland and the Republic. There is much cross-border co-operation between France. Switzerland, Germany, Italy and Austria. Similar co-operation should exist on the island of Ireland as EU policies increase harmonisation between the UK and the Republic.

But cross-border co-operation must be a genuine attempt to improve the social and economic fabric of cross-border regions. It must not be a more subtle attempt to bring about a united Ireland or lever Ulster out of the UK. Co-operation must be motivated by a desire to achieve economic and social progress and not by political or constitutional concerns. There is no example of a cross-border body

with executive powers in western Europe in which one partner is the region of one nation and the other is an entire sovereign nation.

Yet the framework document apparently rejects the European precedents and suggests that there be all-Ireland bodies with executive powers. If it is Belfast and Dublin

There is more reason than ever for co-operation between Northern Ireland and the Republic

who will co-operate in cross-border bodies, then they should be the bodies' source of authority. It is a formula for instability if London imposes all-Ireland bodies over the heads of the Ulster people. It is not that Ulster Unionists reject out of hand the notion of cross-border bodies with executive

and 1960s. I served in a government in Belfast which operated one: the Foyle Fisheries Commission, which controls the fishing waters and trib-utaries of Lough Foyle on both sides of the border and continues to operate successfully with support from Dublin and Belfast.

powers. They combined with Dublin to set some of them up in the 1950s

Such bodies make even more sense today. But there is a world of difference between cross-border regional bodies with executive powers, created by the elected authorities in Belfast and Dublin, and all-Ireland bodies with executive powers imposed on Northern Ireland by Dublin and London.

It is in everyone's interest to overcome the problems created by recent leaks. Peace in Ulster is at stake. It is not too late for all involved - Dublin, London and the Ulster people - to step up efforts to overcome the impending political crisis by devising a formula that will appeal to most people in Northern Ireland, improve co-operation within the island of Ireland and guarantee the peace process.

One way of providing a firmer base for political progress would be for Mr John Major, the UK prime minister, to state that he supports the integrity of the UK. But unfortunately Mr Major was last week able to say only that he would not he a nersuader for a united Ireland.

There is now no difference between Mr Major and Mr Tony Blair, the Labour leader, in their attitude towards Northern Ireland's relations with the Republic of Ireland. Mr Major is neutral on the position of Northern Ireland within the UK whereas Mr John Bruton. the Irish prime minister, fully supports and works for the policy of a united Ireland.

John Taylor

The author is Ulster Unionist MP for

OBSERVER

Home sweet home

■ Mayer Amschel Rothschild would turn in his grave, or at least grin wryly, at the antics of 20th century capitalists. Amid the legal wrangles surrounding Metaligesellschaft, a former

Rothschild villa in Frankfurt forms part of the conflict between the company and its former chairman. Metallgesellschaft nearly collapsed last year after heavy US

oil trading losses. It's now suing former chairman Heinz Schimmelbusch, dismissed more than a year ago, over his role in the debacle.

The company says that in 1990 it bought and renovated a house for Schimmelbusch's own use, though he never lived there. The house once belonged to the Rothschilds whose banking empire - now the subject of a Frankfurt exhibition began with Mayer Amschel in Frankfurt more than 200 years ago. The deal cost Metaligesellschaft, whose supervisory board was not

informed some DM6m. It recently was sold for less than half that: a very un-Rothschild

Clammed up For those tired of the Turin shroud – the cloth which some have claimed wrapped Christ in his tomb

and bears an imprint of his likeness we now present the Mao Zedong clam shell A Chinese farmer from Jiangxi

province claims to have stumbled upon a clam shell, the pattern of which bears a remarkable similarity to the profile of the late Mao Zedong.

The farmer sold the shell, dug up from a river bed last November, to a badge collector for the equivalent of \$12, according to the semi-official China News Service. Now the serious collectors are showing interest. Measuring 6.6 inches by 6.4 inches, the shell's pattern apparently resembles Mao's profile. similar to his image carried on a Chinese banknote.

Davos delirium

Klaus Schwab, founder of the World Economic Forum, which hosts the annual bash of global bigwies in the Swiss alpine resort of Davos, may have his eyes on even more dizzying heights.

The English-language Geneva Post newspaper reported yesterday that Schwab had been sounded out by a number of ambassadors in Geneva" as a possible compromise candidate in the deadlocked leadership contest for the World Trade Organisation. Schwab's publicity machine seized on the story, faxing copies of it, along with his biography and a recent article of his on world trade.

His anonymous backers in

Geneva's diplomatic corps proved harder to flush out. One ambassador called his rumoured candidacy "bizarre". Another, from one of the WTO's bigger members anybody who's asked him to run."

Tempus fudged ■ More on the "better late than never" front. The French

Communist party now thinks communist rule in the former Soviet Union was a bad thing. Robert Hue, the party's leader. has just said so. Hue, who at 48 was only six when Stalin died, can perhaps be forgiven for just having caught up with history, even though the Berlin Wall was breached in 1989 and the Soviet

Union broke up in 1991. But the approach of elections always wonderfully concentrates the minds, even of communists. French opinion polls currently give the party about 7 per cent support, back in the heady early 1970s it was closer to 25 per cent.

Spinning doctors

■ Who said that a Hungarian is someone who goes into a revolving door behind you and comes out in front? It needs updating; sometimes they just go round and round. Gyorgy Suranyi yesterday became

the new chairman of the National

Bank of Hungary, the central bank.

1990-91, before whizzing off to the private sector as managing director of Central European International Bank, Hungary's leading joint venture bank. The career of Lajos Bokros,

Again. He last had the job in

yesterday anointed finance minister, has been even more dizzying. A one-man financial phenomenon, Bokros has rotated through the central bank's capital markets department, the stock exchange, the privatisation agency and Budapest Bank, where he was chief executive and architect of its sale to Credit Suisse.

Hungary is a small country, with an even smaller elite; anyone who is anyone knows everyone, Budapesters say. But not as well as Suranyi and

Bokros, both in their late 30s, know each other. They went to college together, authored papers together, gave each other jobs: "They are like brothers," says a former academic

Given the clouds gathering around the country's finances, a bit of sibling support might come in handy.

Good and bad

"Oh yes they can."

■ And in today's Hungary, old pre-perestroika jokes may well

make a comeback. Thus a pessimist is someone who says that things can't get any worse, whereas an optimist says:

Financial Times

100 years ago

New companies

Norfolk Syndicate Ltd. Capital £12,500 in £1 shares. Objects: To acquire mines, mining rights. lands, mineral properties, concessions, grants, licences &c in South Africa or elsewhere. and to carry on business as miners and smelters in all its branches. Mrs Harris Ltd. Capital £2,700 in

£1 shares. Objects: To carry on business as milliners, mantle makers, artificial florists, costumiers, outfitters, tailors iewellers &c.

Great Grimsby Nautilus Cycling Club Company Ltd. Capital £1,000 in £1 shares. Objects sufficiently indicated by the title.

50 years ago

Reich banknotes

German banknotes are no longer printed on watermarked paper. This information, received officially in London, is regarded as of great importance, as the watermark is the vital safeguard against forgery. Its absence must lead to growing financial

confusion and instability inside

Worldwide

L.B.Plastics Limited

Tel: 0773 852311

SNC and Paribas buy cut-price Tokyo seats

Norma Cohen in Londor

Smith New Court, the UK broker. and Paribas Capital Markets, the French securities house, are buying seats on the Tokyo stock exchange despite the continuing slump in Japanese share trading.

They are taking advantage of poor trading conditions to buy seats at a big discount to foreign brokers who paid Y1.3bn (\$13m) each for memberships in 1990. The companies are buying

seats from US brokers looking to abandon Japanese equity and bond operations. Smith New Court will buy Prudential Securities' seat for Y800m, while Banque Paribas has agreed to purchase its membership from Kidder Peabody at Y750m. While many stockbrokers in

Tokyo are struggling to make adequate profits, both Smith New Court and Banque Paribas believe the market, the world's second largest after New York, will revive when the Japanese

also hope growing pressure for financial deregulation in Japan will increase opportunities.

SNC has operated a representative office in Tokyo since 1987 and has recently expanded its Asian securities operations. It has seats on the Hong Kong, Singapore and Kuala Lumpur stock exchanges and has applied to operate a representative office in Shenzhen. Banque Paribas has for 25 years had an office in Tokyo for corporate banking, asset management and capital

However, the immediate outlook for broking in Tokyo remains difficult. Foreign houses benefited from record buying last year by foreign investors totalling Y4,100bn, which few analysts expect to be repeated in 1995. Overall turnover is depressed. averaging Y334bn a day last year compared with the Y500bn many brokers regard as a minimum needed to break even

markets activities.

Business has declined since 1989, when the market peaked

stocks hitting over 39,000. It now stands at about 18,500. Some smaller Japanese companies are not expected to survive a fifth difficult year and several are also planning to sell their seats. "Some form of realignment is expected to happen (among medium and small brokers)," said Mr Mark Faulkner, financial ana-

lyst at S.G. Warburg.

There are signs that the reor eanisation has beenn. Maruichi Securities, a small broker and member of the Tokyo stock exchange, was bought by Credit Saison, a consumer credit com-pany belonging to a retail group, last October. Last month Century Securities, owned by Daiwa Securities, was bailed out by the Brunei government which will own

Prudential and Kidder Peabody are the first foreign companies to leave the exchange since County Natwest Securities, a subsidiary of National Westminster Bank pulled out in 1993, selling to Tokyo dealer, Akane Securities.

UK brewers face inquiry into wholesale beer prices

The UK's Office of Fair Trading is to investigate brewers' wholesale prices to see if they are unfairly high to tenants of pub

Brewers played down the unexpected inquiry, saying it would probably vindicate the traditional system of tied tenancies. But investors were less sure and share prices declined sharply.

One immediate corporate casualty of the inquiry was Century Inns, the Teesside-based pub owner. It said it was postponing its flotation, due to be priced tomorrow, until after the probe.

There was also speculation in the City of London that the longrumoured sale of Courage, the UK brewing arm of Foster's Brewing of Australia, would be delayed. Foster's has given no indication of its plans for Courage but the financial markets in sale to another UK brewer was

City analysts said Sir Bryan Carsberg, director-general of the OFT, might conduct an in-depth investigation which would result in further government action to loosen the bond between brewers and the retail outlets they own. Shares in Bass, the largest brewer and potentially the one most affected, closed down 20p at

523p. Whitbread shares fell 28p to

536p and Scottish & Newcastle fell 12p to 492p. The inquiry was sought by the European Commission, which is reviewing the pub leases of Inntreprenuer Estates, the pub joint venture owned by Grand Metropolitics and the Information of the IVE food and displayed the IVE food and displaye politan, the UK food and drinks group, and Courage. Such leases require an exemption from EC

competition policy, which has

already been granted to some

other brewers' agreements.

concerned that Inntreprenuer tenants were obliged to buy beer from Courage at full list price "which is significantly higher than the price charged" to free trade customers who are not tied to Courage. The Commission "has been told that other large brewers appear to operate similar

pricing policies". Sir Bryan said the OFT aimed to identify the effects of price differentials on competition between tied and free pubs. Discounts have been growing

larger and even moderate-sized buyers of beer such as pub companies or wholesalers are believed to get up to one-third off the list price of a barrel of beer. Brewers defended the practice of charging their tied tenants full prices. They said the tenants got

lower rents and other help.

chief and finance minister

The appointment of two competent, independent-minded finan-cial specialists to head the country's top financial decision-making bodies is a move to restore confidence in Hunga-

A two-month delay in appointing a new central bank governor, uncertainty over the direction of economic reform and ill-disenised tensions in the ruling Socialist-Liberal coalition have helped wipe 20 per cent off the value of Budapest's stock market this year and made foreign investors

Mr Suranyi, who is in his early 40s, is widely considered to be the shrewdest of Hungary's young bankers, and played a key role in modernising the central bank during the first post-com-

Mr Bokros, also in his 40s, is president of the Budapest stock exchange and of Budapest Bank, a leading state-owned bank. The candidates have been agreed by the Free Democrats, the junior coalition partners, but may produce friction with more traditional socialist-minded members

The nominations follow last month's departures of Mr Laszlo Bekesi, the former finance minister and leading reformer, and Mr Ferenc Bartha, who had been a well-respected privatisation chief. The nominations of the two

approved by parliament, is expec-ted to restore some confidence, but came too late to prevent Standard and Poor's from revising downwards its rating outlook for Hungary's foreign currency debt. The ratings agency said yesterday its rating remained BB+, but that the outlook was

The agency said a shortfall in

account deficit was about \$4bn. The economy last year grew by about 3 per cent, with increa exports and a fast-expanding private sector. But there is concern that the need to service debts will stifle economic development.

Hungary picks bank

Mr Gyula Horn, Hungary's Socialist prime minister, nominated Mr Gyorgy Suranyi as president of the central bank and Mr Lajos Bokros as finance minister yesterday.

ry's financial management.

munist government.

A former central bank president, Mr Suranyi became managing director of Central European Investment Bank, a local majority foreign-owned bank, and turned it into one of Hungary's most profitable private commer-cial banks after his removal from the central bank three years ago.

of the ruling party.

candidates, who must be formally

privatisation revenue might lead to greater borrowing and an increase in the country's foreign debt, which last year rose to the equivalent of 126 per cent of annual exports and now totals US\$18bn. Last year the current-

But the more important announce-

corporate structure by hiving the cable operations off into a separate entity - of which it might end up owning less than half. Not only is there little synergy between its cable networks and its "content" businesses, covering music, films, TV programmes and books; the cable operations are held through a confusing tangle of joint ventures. Untangling these part-nerships would help investors value the business. The snag is that doing this will not be trivial. Some of its partners may demand a high price for

Metallgesellschaft

In little more than a year as chief executive of Metallgesellschaft, Mr Kajo Neukirchen has achieved a heroic management task. He has raised DM4bn (\$2.60m), much of it from the sale of 317 subsidiaries, cropped the workforce by 15,700, and staunched the losses caused by improdent trading in oil futures at the MG Corp US subsidiary. He has also restored the group's operating profitability and cut the amount owed to

The result is that, against the odds, Metallgesellschaft has survived. However, the cost of survival has been immense. This is true in terms of the eash which shareholders have had to provide in two substantial financial reconstructions.

It is also true in terms of the damage done to the reputations of Deutsche Bank and other leading institutions mixed up in the affair. Moreover, after the fire-sale of Buderus and the mining interests, what remains of the group is a rag-bag of businesses in plant construction, trading, chemicals and financial services with unexciting growth prospects.

It is encouraging that these busi-nesses made a modest operating profit

LEX COLUMN

Time's tangled cables

If Time Warner can pull off the day, its stock will deserve a rerating. For shareholders, its latest \$2bn-phis cable television acquisition is the least important announcement, though still positive. Views may differ over how cable should be valued, but industry consolidation makes sense. Forming contiguous clusters enhances advertis ing potential and cuts operating costs. It also puts the industry in a better position to thrive in the coming battle when cable and telephone companies invade each others' turfs.

ment is Time's plan to simplify its in the first quarter of the current financial year, and that further recovery is expected. But these glimmers of hope are not enough to restore Metallsellschaft to uncontroversial normality. The latest flurry of litigation between the company and its former managers will keep the murky events of the past at the forefront of investors' minds. For as long as this is the case, the shares are best left well alone.

Glaxo/Wellcome

Yesterday's results from Glaxo underscore why it needs Wellcome. The 10 per cent increase in pre-tax profits may look creditable, but top-line growth, at just 2 per cent, was unimpressive. Sales of Glaxo's three biggest products, including Zantac, dropped. The results would have been worse if Glaxo had not attacked costs in a surprisingly aggressive manner, trading margins increased 2.5 percentage points thanks to lower costs for marketing and research and development. The pressure on Zantac can only increase. Hence Glaxo's need for Wellcome: cutting costs from two groups offers even greater scope for margin improvement and earnings growth.

All this means little for the takeover battle's outcome: that depends on Wellcome's ability to find a white knight. But locating a sufficiently large and solvent counter-bidder will prove tricky: hopes predicated on an overseas company could prove illusory because UK institutions are unlikely to accept shares from US or Buronean bidders. In any case, Glaxo's ability to counter-bid could prove adequate per cent presents little obstacle given the combined groups' cash-flow and interest cover. If Wellcume's advisers fail they should not be ashamed.

Ne closes UK

arical shops

UK Brewers

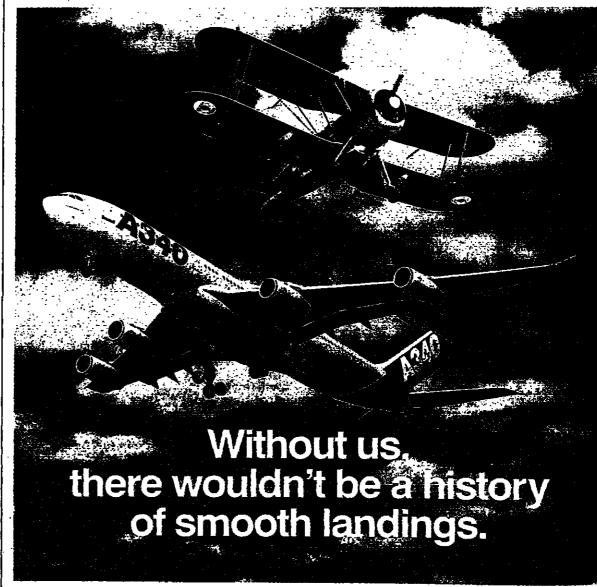
British brewers are well inured to regulatory slings and arrows, but the intest announcement from the Office of Fair Trading caused a surprise blow. It suggests a second round in the late 1980s push by the government to sever relationships between browers and pubs: that culminated in the Beer Orders, cutting the number of so-called tied houses. This time the OFT is investigating the vast differential between the control of the tial between beer prices charged to free houses and those paid by tenants of brewery-owned pubs.

Large brewers are to be the focus of this investigation, but the act should be spread further. The big brewers may be charging tenant pub operators more for their beer, but this is partially off-set by preferential rent and other services. To evaluate beer whole-saling, the OFT must also look at regional pub operators. After all, the largest beneficiaries from the Beer Orders have been owners of new independent pub groups, which have swallowed the discounts offered by brewers. Consumers have missed out.

It is too early to evaluate the impact of this investigation, although yesterday's share price falls reflect the worst case scenario. The most significant concern must be that the inquiry postpones any further consolidation among UK brewers. Given 25 per cent over-capacity and falling beer sales, such delay could cause greater short-term concern than any

Warburg/Deutsche Bank

S.G. Warburg is drifting dangerously. Employee morale was shot to bits by last year's failed merger talks with Morgan Stanley. The bank has already closed its international bond operations. Yesterday's departure of its joint heads of equity capital markets weakens its international equities business. Warburg still clings to rheto-ric that it is building a global investment bank, but it is becoming harder to convince staff that this is so. Warburg's loss is Deutsche Bank's gain. Two good recruits do not make a business. But if Deutsche can continue to peach high-quality staff, that is clearly cheaper than buying a whole bank.



From the Gloster Gladiator to the Airbus, generations of aircraft have relied on the support of landing gear made by French manufacturer Messier and the UK's Dowty. Their innovations include the retractable undercarriage, wheels with internal shock absorbers and jump struts for catapult-launched aircraft.

Now Messier-Dowty, a 50:50 joint venture between TI Group and SNECMA with full design and manufacturing facilities on both sides of the Adantic, builds on that great tradition. Airbus Industrie has just accepted its 100th set of the A330/A340 landing gear - the world's largest in service. And around the world, 14,000 alremate rely on Messier-Dowty gear to ensure that 20,000 landings every day are happy ones.

Dowty is one of TI Group's three specialised engineering businesses, the others being Bundy and John Crane, Each one is a technological and market leader in its field. Together, their specialist skills enable TI Group to get the critical answers right for its customers. Worldwide.



IMF chief Continued from Page 1

ou can still have an unexpected drop in commodity prices accompanied by a major political crisis and a third factor of temporary vulnerability, and you have a crisis on your hands."

He is expected to use the February 17 meeting to promote his idea for a special fund to provide big sums at short notice to economies threatened with speculative outflows. The idea has backing from Mr Edmond Alphandéry. France's economy minister, but is opposed by several finance ministers, including those of Germany and Britam.

Time Warner cable deal

which assets might be sold beyond saying they would lie outside its core businesses. Candidates are thought to include its 20 per cent holding in Turner Broadcasting, worth more than \$1bn, and parts of its cable network which fall outside the main regional clusters. Ahead of such disposals, Time Warner will have 11.5m cable subscribers, making it broadly equal with the indus-

Moody's and Fitch, the US rating agencies, gave unchanged ratings to Time Warner's debt

yesterday, and the company's

shares rose \$1 to \$38% in early Continued from Page 1 trading. The company said the

FT WEATHER GUIDE

\$250m to annual cash flow. Combined sales for Time Warner inc and Time Warner Entertainment rose 9 per cent for the year to \$15.9bn, the company said. Cash flow rose 9 per cent to \$827m in the quarter and 5 per cent to \$2.96bn for the year.

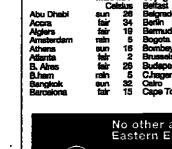
While cash flow rose in publishing, music, films and home video, it fell 4 per cent for the year in cable TV to \$989m despite a 4 per cent rise in the number of subscribers. This was due to government-imposed limits on subscription rates.

Europe today High pressure over Iceland will dominate conditions over the northern British Isles.

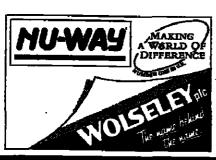
Scotland will be bright with snow showers A new low pressure system will develop over the Channel and move towards central Europe. The Low Countries, central and northern France and Germany will have a lot of rain which will turn to snow over higher ground, Another disturbance will bring rain to Portugal and northern Spain. A front will produce rain or snow from southern Poland to central Russia. The central Mediterranean and the Balkans will be sunny. A weakening low will bring cloud

Five-day forecast

Clearing sides will sweep across the North Sea and into central Europe bringing drier conditions. On Thursday, abundant snow is expected in the Alps as a cold front moves through the area. Cloud will thicken over the British Isles with rain arriving on Thursday. Meanwhile, a low pressure system will develop and move towards Italy and then Greece giving cloud and sun with



tair cloudy county fair cloudy sun rain fair cloudy fair cloudy fair cloudy fair cloudy fair cloudy fair fair snow fair fair snow fair cioudy coudy cioudy sun some sun some cioudy sun some sun som No other airline flies to more cities in Eastern Europe. Lufthansa



FINANCIAL TIMES

COMPANIES & MARKETS

OTHE FINANCIAL TIMES LIMITED 1995

By Hugh Carnegy in Stockholm

than a year since the collapse of

Instead, in a development that

Metallgesellschaft, the German

industrial and trading company

which was nearly bankrupted

last year by US oil trading

losses, has weathered its crisis

and made a small profit in the

first quarter, said Mr Kajo Neu-

But he admitted that the oper-

ating profit of DM10m (\$6.5m) in

mal. "It's nothing to die

kept Metallgesellschaft alive in

smaller form. This is no reason

He repeated his forecast that

operating profits would be well

over DM100m this financial year.

Earnings from some long-term

projects would come later in the

year. Turnover would be around DM15bn, with asset sales and

restructuring causing a reduc-

Mr Nenkirchen said the first

quarter result was better than

expected. "The company is doing

better than it has for years," he

The first quarter profit com-

pared with an operating loss of

tion from DM20.5bn last year.

for excitement

Airlines and Świssair.

Wednesday February 8 1995



IN BRIEF

新. 程計 (Free co

and the same

a amer.

Thorn closes UK electrical shops

Air France to buy computer system Air France, the loss-making state-owned airline, said it had agreed to buy computer systems and programmes from Sabre Decision Technologies (SDT), a subsidiary of American Airlines. Page 16

Schering lifted by US drug sales Schering, the German pharmaceuticals group, yesterday reported a 12 per cent rise in preliminary nel profits for 1994, with sales for Betaseron, its multiple sclerosis drug, instrumental in lifting turnover.

IBM Germany returns to black IBM Germany, the largest European subsidiary of the US-based computer group, climbed back into the black in 1994 following two years of cost cuiting and restructuring, Mr Edmund Hug, chief executive, said yesterday after announcing the group's

reported fourth-quarter earnings from continuing operations of \$209m, or \$1.14 a share, up from \$137m, or 75 cents, in the comparable 1993 quarter.

Sears Roebuck, which is returning to its retail roots with the spin-off of its Allstate insurance business planned for the middle of this year, continued its

Israel cears up for telecoms issue The Israeli government is expected to announce next week who will be the lead co-ordinator for the global offering of a 25 per cent stake in Bezeq,

France hopes to profit from steel rebound The cyclical nature of the steel industry means the timing of France's privatisation of Usinor Sacilor is critical. Page 18

Canadian diamonds bring sparkle Russia's rough gem diamond production is falling fast and by late next year stocks will be "relatively insignificant", suggests one analyst. But new mines likely to be developed in Canada will alleviate a

where losses over the last three years had been run-ning at £12m annually. Page 20

preliminary results. Page 16

retailing division recovery in 1994. Page 18

Israel's state telecommunications company. Page 19

serious diamond shortage. Page 21

National Westminster Bank is to restructure its UK cost savings. Page 20

Companies in this issue

Alpha Airports

The second second

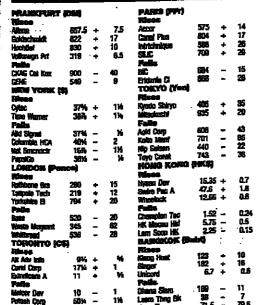
	American Alriines		ORGE
	Anheoser-Busch	16	PTT Post
	BCE Holdings	20	PenAmSat
٤	BMW	9	Paribas .
Ź	BSkyB	20	Peerson
1	Benham Management	47	PeosiCo
ŀ	Bertelsmann	2	Philip Morris
	Betacom	•	Pieggio
ŀ	Bezeg	19	
	Blacks Leisure	20	
	Bovis	4	
	CPC International	17	
	Centor Centor	19	Saab-Scaria
		13	
2	Chrysler	16	Cabadaa
•	Cooper DLJ	18	Schroders Prop Fund
		9	
	Deutsche Bank		
	Dubai	4	
	E.Merck	16	Sucherd
	File .	20	Systembolaget
7	Ford		116-2008
,	General Motors	13	
	(Elento	15	
ř	Hewlett Peckard	17	Thorm EMI
	IBM .	16	
•	Israel Chemicals	19	IOYUM
:	Kawasaki Heavy Ind	4	Twentieth Century
	Käsbohrer	2	USAIr
	Lipha	16	Universal Ceramics
	Lockheed		Usinor Sacilor
:	Meggitt		VTR inversiones
	Mercedes-Benz		Vickers
	Metaligesellschaft	15	Vin & Sprit
	NEC		WWX Technologies
	National Westminster		Waste Management
	News Corp		Wellcome
	Niero- I-di	- 20	7.staloome

Foreign exchange Gills prices #Annual reports service Benchmark Sovt bonds Bond futures and options London share service

Market Statistics

pages Managed funds service Dividenda ans Money markets BMS currency rates New Intl bond (SSUES New York share service Recent Issues, UK FT-A World Indices Short-term in rates

Chief price changes yesterday



Thorn EMI lifted pre-tax profits at the nine month stage to £343.7m (\$540m). The company also announced the widely expected decision to leave the overcrowded and highly competitive UK electrical retail business with the closure of Rumbelows,

Tenneco earnings advance Tenneco, the diversified US industrial company,

Recovery continues at Sears Roebuck

branch banking business, with the aim of making

18 Norwich Union

DM1.5bn in the same period last Lex. Page 14

pursues a stand-alone strategy based focusing on core SAS, half-owned by the Danish,

SAS profit of \$201m

is first in five years

Scandinavian Airlines System, which less than two years ago searched in vain for merger part-ners to rescue it from losses, flew Norwegian and Swedish governments, says it intends this year back into the black for the first time in five years in 1994, swingto negotiate strategic crossborder alliances to complement ing to a pre-tax profit of SKr1.5hm and strengthen its Nordic-ori-(\$201m) from a loss of SKr492m ented route network. The most likely partners are Germany's A programme of non-core asset Lufthansa or an extension of the existing European Quality Alli-ance with Austrian and Swissair. sales and tough cost-cutting measures, coupled with an upturn in But British Airways and US operators such as Delta and Ameriairline operations, have given SAS renewed strength little more

Metallgesellschaft

in first quarter

can Airlines may also figure. the Alcazar project, a plan it championed to merge with Aus-"It is a huge dancing party at the moment," said Mr Peter trian Airlines, KLM Royal Dutch Forssman, a senior SAS executive. "As it is not a question of our survival we don't feel pressed echoes the experience of Swedish by time. We are not in real negotiations yet, but it is one of the vehicle maker Volvo since it

scrapped a plan to merge with major issues for 1995." Preliminary figures released quickly returned to profit as it yesterday showed a significant

year; pre-tax profits were DM14m against a DM1.4bn loss.

All activities, including plant

construction and chemicals,

were in profit, except for MG Corp, the US subsidiary which

incurred the oil futures losses

and has since been cut. The num-

ber of group employees is now

23,100 compared with 43,300 in

September 1993. The target is

gesellschaft sold subsidiaries,

shareholdings and assets. Its

debts fell to DM3.2bn in Septem-

her, from DM7.4bn in December

1998. That was just after Mr

Heinz Schimmelbusch, former

The company and Mr Schim-

melbusch are suing each other

over the oil trading debacle,

which cost Metaligesellschaft

Banks, led by Deutsche Bank, agreed a DM3.4bn rescue pack-age a year ago and are being asked for a further DM600m

under a planned capital restruct-

of agreement. "It's a balancing

act and extremely complicated."

Mr Neukirchen was confident

some DM4bn.

chairman, had been dismissed.

previous four years. SAS said accounted for by airline operations, not the hotel business which is now the only significant

non-airline operation. Turnover for both sirline and hotel operations totalled SKr33.9bn, an increase of 7 per cent over 1993. Mr Forssman said the outlook for 1995 was very

SAS said the pre-tax result would have been greater but for tion charges due to a change in accounting procedures. Restructuring charges also rose sharply to SKr1bn from SKr530m in 1993. But SAS also benefited from favourable foreign exchange trends and a jump in capital gains to SKr850m from SKr556m.

ing 1994 of SAS's travel group

Glaxo, Europe's biggest drugs

company, yesterday reported

interim pre-tax profits up 10 per

cent on a year ago in spite of a 4

per cent fall in the sales of its

best-selling drug Zantac. It also published the offer docu-

ment for the proposed £9.1bn

(\$14.2bn) takeover of Wellcome,

its UK rival. This starts the bid's

timetable under UK takeover

rules: a rival should make a

when Wellcome Trust is commit-

ted to accepting the Glaxo bid on

Sir Richard Sykes, Glaxo's

chief executive, indicated that

the company's next acquisition

could be part of the half of Nip-

pon Glaxo, its Japanese joint ven-

Sales for the six months to

December 31, 1994 were 2 per cent

higher at £2.85bn (£2.8bn), below

the average world growth of

Zantac sales fell for the first

time, to £1.14bn (£1.2bn). Sir

Richard blamed competition from

cheap, unbranded, similar drugs

and newer rivals, especially Losec made by Sweden's Astra.

stronger performance, especially

Glaxo's newer drugs put in a

ture, that it does not own.

oharmaceuticals sales.

behalf of its 39.5 per cent stake.

By Daniel Green and

SAS Leisure to Airtours of the

UK; the catering unit SAS Service Partner, sold to Swissair's catering division; and Diners Club Nordic, sold to Sweden's Skandinaviska Enskilda Banken. Internally, much of the focus of 1994 was on driving through an ambitious programme to shed 3.000 jobs and cut costs by SKr3bn adopted shortly after the collapse of the Alcazar project.

pleted and the balance would be achieved by mid-1995. The latter reflected the sale dur-The savings programme was

Recovery reflects focus on core operations but airline plans to negotiate alliances Soft drinks strengthen Pre-tax profit/loss PepsiCo at year end By Richard Tomkins in New York PepsiCo, the US snacks and soft drinks group, yesterday pro-duced a strong end to a mixed year reporting a 16 per cent

slumped into losses in 1990. A previous programme pushed through in 1991 and 1992 reduced staff by 3,500 and also cut SKr3bn in costs. SAS now has fewer than 20,000 airline employees, compared with 25,000 in 1991.

1989 90 91 92 93 94

Despite the restructuring, SAS firmly intends to stay in the hotel management business. Last year it concluded an alliance with Radisson Hotels International of the US covering 30 hotels in Europe, the Middle East and Asia with the intention of adding a further 60 hotels to the network by the end of the decade.

Mr Forssman said two-thirds of

the programme had been com-

its migraine drug Imigran and a

profits from £1bn to £1.1bn was

Earnings per share were 24.3p.

only 4 per cent higher than last

year's 23.4p, because of a higher

tax charge. Without the disposal of Glaxo India's foods division,

earnings per share would have

grown by only 2 per cent. The

The offer document includes

pro forma balance sheet for a

shows net debt of just over £3hn.

The shareholders' funds would be

almost £1bn - after writing off

goodwill of £4.5bn - to give gear-

ing of more than 300 per cent.

Pro forma interest cover would

costs will be £77m, including £30m in professional fees.

Glaxo agreed with nine banks

requires it to keep interest cover

The covenants also restrict

Glaxo from making another

acquisition for more than £400m.

Glaxo said this was a formality

which would not prevent it from

On future acquisitions, Sir

Richard said taking control of

Glaxo estimates that its bid

The £8.1bn banking facility

be seven times.

above three times.

interim dividend was 10p (9p).

The 10 per cent rise in pre-tax

new asthma drug Serevent.

helped by cost-cutting.

Glaxo up 10% and looks

company warned that the deval-uation of the Mexican peso would have an unfavourable impact on 1995 results. Mexico is PepsiCo's biggest market outside the US.

In the quarter just ended, sales rose 18 per cent to \$9.12bn and earnings per share rose by 16 per cent to 64 cents. For the full year, net income rose 9 per cent to \$1.77bn, reflecting the profits standstill that took investors by surprise in the second quarter. Profits growth from the soft

increase in net profits to \$513.3m

Its shares, however, shed \$% to

\$37% in early trading after the

for the fourth quarter.

drinks division was one of the biggest factors driving the fourth quarter advance. The company appeared to have

succeeded in beating back the competition from private-label manufacturers that hit it earlier in the year, increasing operating profits by 17 per cent to \$266.2m in the US and from \$5.1m to \$16.5m internationally. The snack foods division per-

formed strongly, with US operating profits rising 15 per cent to \$326m and international operating profits rising by 10 per cent to \$113.2m.

The restaurant division, however, continued its recent poor performance, registering flat operating profits of \$220.4m in the US and falling from \$23.2m to \$17.6m internationally. The culprit was Pizza Hut; KFC (formerly Kentucky Fried Chicken) and Taco Bell both increased

Last November PensiCo tried to put its restaurant division back on the rails by giving Mr Roger Enrico, the group's vice-chairman, the job of sorting it

Mr Enrico, a respected PepsiCo executive credited with having engineered a turnround of the group's Frito-Lay snacks business, is widely seen as the likely successor to Mr Wayne Callo way, chairman and chief execu-



Nippon Glaxo had "to be the way

to go". Nippon Glazo, 50 per cent owned by the Konishi family, has not matched the growth of the Japanese market. Glaxo signalled a change in strategy last month when Mr Hiroshi Konishi resigned from the board to "devote all of his efforts" to the Japanese market. The move could be expensive

for Glaxo: the joint venture has annual sales of £315m, suggesting a value for the business of about £1bn, according to one analyst. Lex, Page 22; Loans, Page 32

Mr Calloway said yesterday that he expected "a solid performance" from PepsiCo in 1995 although the company warned that "significant uncertainties" remained about the impact of the peso's devaluation on the

Barry Riley

Why specialists are not always so special



consultants are stepping up their campaign to persuade scheme trustees to hire specialist investment managers rather than the all-embracing balanced institutions which have built up such a dominant share of the UK pen-

sion fund market. But can they interest reluctant trustees in US-style structures? In these, up to a dozen specialist managers are given narrow investment briefs and are controlled within an overall tactical sset allocation framework which may be implemented through derivatives-based overlay tech-

niques. Cynics say this is better for the consultants than it is for the pension funds. Tim Gardener, head of asset planning at William M. Mercer, based his arguments at last week's major client conference on the cost of defined benefit schemes. They will not continue to be affordable unless fairly ambitious investment targets are achieved. But big balanced managers are adopting increasingly high risk strategies, involving 80 per cent-plus equity exposures, which may be steaming straight towards the looming rocks of the government's proposed minimum solvency standard.

At their rival Bacon & Woodrow, Colin Lever, the doyen of the consultancy business, has been celebrating 25 years of investment advice for pension funds. His biggest disappointment, he says, having pioneered performance measurement in 1970, is that fund management has become more, rather

Whereas the US has hundreds of managers the UK is dominated by just five or six. Instead of encouraging new entrants and diversity, the consultants have created monsters.

Colin Lever is surprised by this, but perhaps he should not be. Concentration of business amongst the best contenders is a feature of any open, competitive market. Diversity is fostered by imperfect competition and poor information: an example would

Fund management has become more, rather than less, concentrated

be the retail life assurance sector in the UK. The danger for pension funds may be that competition has

been focused too much on crude performance and has not taken enough account of risks. Certainly the competition

emains intense, as was shown on Monday by Henderson Administration's warning of lower profits following losses of pension cli-ents. In 1989 Henderson was the ninth biggest external manager but today it may be 17th or

In 1994, a difficult year for the markets, only PDFM and Morgan Grenfell clearly beat the industry's median rate of return, us 5 per cent. Mercury Asset Management and Schroders may have straddled the median. according to Bacon & Woodrow.

other recovery candidates and league table hopefuls, including dential and, of course, Hender-son, all had their hopes dashed. In the five-year performance table, PDFM stands out. By vir-

tue of earlier good returns Gart more, Schroders and Newton also feature well. MAM, the industry leader, has effectively broken itself into several different teams and its performance is hard to pin down. But it seems to have enjoyed a good year for new mandates in 1994. The consultants' main achieve

ment so far is to shift the benchmarks for performance away from median-related to index-related targets. From there it is easier to introduce specialist managers. But the business has mostly stayed with the same handful of big firms, who have simply turned up in a new specialist guise. Consultants argue that specialist managers are better because they focus their resources better. But more has to be spent on another layer of asset allocation and monitoring. The evidence is mixed. A study

by one of the big two performance measurers, WM, suggested that the specialist route failed to produce better performance. Mercer now disputes this conclusion on technical grounds. A yet-to-bepublished report by the second measurer, Caps, owned by the consultancy firms, is said to favour specialists.

So the debate continues. Its renewed intensity can be traced to the fall in investment returns, averaging 9.5 per cent annually in the first balf of the 1990s

Key alliances.

Sodexho Sodexho S.A. Gardner Merchant Services **Group Limited**

To achieve global leadership their industries, European companies need to combine. Forging new alliances across national

boundaries requires imagination, technical excellence and cultural Key attributes sensitivity. enterprises and successful Swiss Bank Corporation. example we advised Elsevier on their merger with Reed. And, more recently, Sodexho on their link-up with Gardner Merchant. Key alliances for Swiss Bank global leadership. Swiss Bank Corporation

GROUP

والمستراكية بالمنطقة

INTERNATIONAL COMPANIES AND FINANCE

Schering lifted by US sales of Betaseron drug

By Judy Dempsøy in Berlin

Schering, the German pharmaceuticals group, yesterday reported a 12 per cent rise in preliminary net profits for 1994, with sales for Betaseron, its multiple sclerosis drug, instrumental in lifting turn-

Compared with 1993, group net profit last year increased by DM31m to DM285m (\$190m), while group sales rose DM510m to DM4.7bn. However, group domestic sales, affected by Germany's health reforms, showed only a slight rise, increasing DM4m to DM699m over the same period.

Sluggish domestic growth was offset by foreign sales, by he which soared by DM506m to Europe.

DM4bm. Exports account for 85 per cent of the group's overall turnover, with Japan remaining Schering's largest market. Turnover for Nihon, its Japanese subsidiary, rose to DM950m last year from DM925m in 1993, while turnover at Berlex, Schering's US subsidiary, rose 80 per cent to

DM740m over the same period. The engine behind continued owth in exports, particularly the US market, is the Betaseron drug, which last year was Schering's fourth best selling product. Total sales of the drug in 1994 amounted to DM300m. Betaseron, licenced in the US and facing little competition, is expected soon to be approved by health authorities in

cine Evaluation Agency, which is responsible for recommending medical licences, would make a decision later this year, followed by the health authorities of the individual European Union countries.

The rise in profits is linked to Schering's cost-cutting pro-gramme and its decision to hive off its non-pharmaceutical divisions in 1993 in a bid to concentrate on the core pharmaceuticals sector.

However, consolidated results in AgrEvo, the group's agrochemical division, which is jointly owned by Hoechst the chemical group, fell in the last quarter as a result of

Sales for 1994 rose 3 per cent to DM12bn, with growth shift-ing away from IBM's traditional role as a hardware supplier towards the services sector, where sales rose 66 per

Germany

returns

to black

IBM Germany, the largest European subsidiary of the US-

based computer group, climbed back into the black in

1994 following two years of

cost cutting and restructuring, Mr Edmund Hug, chief execu-tive, said yesterday after

announcing the group's pre-

Net profits for the computer

and electronics group totalled DM900m (\$588m), after a loss

of DM582m the previous year.

It is the first time since 1991

that it has reported profits. "We now have a clean balance

liminary results.

per cent to DM9.3hn, with a fall of 3 per cent in the leasing sector, partly due to the reces sion, said Mr Hug. Exports totalled DM3.6bn

with little change on the previ-Exports consist largely of

deliveries by IBM's German enterprises to its European affiliates, as well as services provided by its research laboratory at Böblingen, in Baden-

Württemberg. Since 1992, the parent com-pany has extended financial support to the German operations, which recorded es of DM443m in that year and further losses of DM582m the following year.

Cooper finalises Lipha disposal

the French pharmaceuticals company, yesterday said it had finalised the sale of its 43.5 per cent stake in pharmaceuticals company Lipha to the majority shareholder, E. Merck, the German drugs group, writes John Ridding in Paris. Cooper, a division of Rhône

amount of the transaction.

Poulenc, the French group, declined to comment on the

loyota, Japan's largest carmaker, is known as a from the recovery because of company that can its strong range of cars at company that can attractive prices. Last year, it squeeze the last drop from a remodelled several of its more important models when its chief competitor, Nissan, was to be confirmed this week short of new product, notes Mr

IBM unit in Toyota's speedy adaption pays off

when it announces interim results for the six months to Blair-Smith The RAV4, Toyota's recrethe end of December 1994. Most ational vehicle launched in analysts expect the group to post a strong recovery in profits in the first half, largely May, for example, has com-bined youthful styling and a basic price of Y1.6m to make it Mr Andrew Blair-Smith, a marketing success.

The group was able to launch the RAV4, as well as a succession of remodelled cars, at low prices largely because of the speed with which it got to grips with the changing mar-ket environment in Japan. The company was quicker

than most Japanese car makers in sensing the changes in the domestic market which went from the free-spending late 1980s into a recession. While most companies were counting on a speedy recovery.

Toyota was busy cutting costs. By last year, it had reduced the range of parts it uses in its cars by about 30 per cent and model variations by about 25 per cent. In fiscal 1994 alone, Toyota was able to save \$1.5bn through such cost-cutting meations rise continuously from

It has been shifting producsharp appreciation of the yen.

Toyota was able to benefit This year, it expects locally produced vehicles in North America to outnumber imports for the first time since it began shipping cars to the US in

In Europe, the company has suffered in line with other Japanese manufacturers, from weak markets and the high

strengthening of the yen, analysts are optimistic that demand will recover to improve the outlook in western

The main problem is Toyota's low productivity in Japan. With the capacity Toyota has built up in the domestic market "they can produce far more cars than they do now", points out Mr Matthew Ruddick. industry analyst at James Capel in Tokyo.

Ruddick says capacity is about 4.4m units. Given that production in 1994 was just over 3.35m units, "they are a long way" from what they can produce, he says.

Operating profit margins have fallen from a peak of 6.7 per cent for the parent com-pany in 1990 to a 0.9 per cent in the year to June 1994.

Mr Ruddick expects an improvement in margins as a result of Toyota's continuing

Interim results likely to show strong recovery, says Michiyo Nakamoto cost-cutting, possibly to as much as 3 per cent by March 1996. (Toyota is this year changing its year-end to March.)

NAT'L COMPAN

and lechn

hack Rus

J. 1824

grade to the

John in fou

Another option upon to Toyuta would be to bring in house some of the production sourced to kroup companies, such as Hino, the truck maker, and Dalhatsu, which specialises in small and con-

However, like most large. blue-chip Japanese companies. Toyota would be reluctant to damage relationships with its group companies by taking too much of their business away from them.

Neither would it be likely to close plants and lay off workers to raise productivity. But uniess some measure is taken, profits are not going to return to peak levels seen in the late 1980s, Mr Ruddick notes.

Toyota, for its part, is counting on a large increase in sales worldwide to help lift profit-ability. It is aiming to raise worldwide vehicle sales to am units by the end of the decade, from 4.4m in fiscal 1994. To that end its has expressed interest in markets such as China and India.

Far from triggering a retreat, overcapacity and the maturing of the Japanese market have refuelled its overseas ambi-

Air France in computer deal

By John Ridding in Paris

Air France, the loss-making state-owned airline, said yesterday it had agreed to buy computer systems and pro-grammes from Sabre Decision Technologies (SDT), a subsidiary of American Airlines.

The systems are designed to increase the efficiency of scheduling and yield manage-

The deal, for an undisclosed sum, represents the latest step in the airline's efforts to raise productivity and efficiency and to curb losses. It marks a further step in co-operation with American Airlines, a potential partner for the French carrier in transatiantic services.

Air France has said it is dis-

including American. It is in discussions with Asian carriers with the aim of forming a triangular continental alliance. Air France said the deal with SDT would provide it with the systems and software necessary to optimise revenues per aircraft and to better co-ordinate the utilisation of the fleet.

Last year. Air France recorded an average occupancy rate on its airliners of 73 per cent, compared with 68 per cent in 1993. However, the level of receipts per passenger per kilometre, one of the principal measures of performance in the airline industry, is thought to have declined in 1993 and

cussing possible partnerships Mr Christian Blanc, who with several US carriers, took over as chairman in autumn 1993 following a bitter strike, is implementing a restructuring package aimed at raising productivity by 30 per cent by 1997. The plan, which includes a pay freeze and changes in working practice, has drawn resistance from some of the company's employees. Yesterday, cabin staff held a one-day strike in protest at the productivity measures and complained of chronic under-

> The French carrier said the SDT deal would not threaten its adherence to Amadeus, the European airline reservation system. Amadeus is a rival to Sabre, a US system which is used by American Airlines.

Orkla sells half of stake in Helly

By Karen Fossii in Oslo

Orkla, the Norwegian group with interests ranging from branded consumer goods to chemical processing, yesterday said it had disposed of half its shareholding in Helly-Hansen, which manufactures leisure, sports and survival clothing, for NKr125m (\$18.6m) to book a

The announcement had been The announcement had been widely expected since Orkla stock exchange listing may be considered. Helly-Hansen will

said in January it was considering disposal. The buyer is Resource Group International (RGI), a Seattle-based Norwegian-owned group which is a large shareholder in Gresvig, a

Norwegian sports and leisure Orkla said it would work with RGI to develop Helly-Hansen as an international branded goods company. A

continue to operate on an inde pendent commercial basis in relation to customers and suppliers and Mr Olaf Eie, executive vice-president of Orkla, will continue as chairman.

Helly-Hansen had a book value in 1993 of NKr135m and achieved sales in that year of NKr823m and an operating profit of NKr28m. The company has production facilities in Norway and Portugal and contracts in east Asia.

Swissair to cut offer for stake in Sabena

This reputation is expected

because of cost cutting.

industry analyst at BZW Secu-

ritles in Tokyo, says operating

profits could increase more than sevenfold to more than

Y70bn (\$705m) from Y9.3bn in

the first half of 1993. He is

looking for an improvement in recurring profits (before tax and extraordinary items) to

The expected turnround at Toyota, which suffered a 25 per

cent decline in parent recur-

ring profits to Y214bn in the

full year to last June, is also

due to the recovery in the Jap-

Last June, unit sales in the

Japanese market were up year-

on-year for the first time in 15

months. As demand for passenger cars picked up in Japan, Toyota saw vehicle registra-

July to November, with a

moderate 0.4 per cent fall in

anese domestic market.

Y140bn from Y83bn.

Swissair said yesterday it had prepared a lower offer for a stake in Sabena, the stateowned Belgian airline, because of Sabena's failure to reduce its costs by relocating pilots to neighbouring Luxembourg to reduce costs.

The Swiss airline, eager to enter the European Union's deregulated aviation market, had been considering a 49 per cent stake in the loss-making Sabena. But a new offer, to be presented to the Belgian government over the next few days, will be lower, reflecting Swissair's concerns over Sabena's apparent difficulty in cutting costs.

Mr Pierre Godfroid, Sabena's chief executive, came up with a bold plan to move 480 pilots to Luxembourg to take advan-tage of the Grand Duchy's lighter social security regime.

However, the plan was criticised by the Belgian government and Mr Jean-Luc Dehaene, the Belgian prime minister, said he would only accept the move if part of a wider economic plan. Luxair, the Luxembourg airline with which Sabena hoped to form an alliance, opposed the deal. Mr Godfroid has to find other ways of reducing costs. Yester-day Swissair said: "Given the situation, we would have to account for significantly higher costs for the pilots."

Anheuser-Busch rises 5% in fourth quarter

Anheuser-Busch, the biggest US brewer, ended another year of sluggish growth by reporting a 5 per cent increase in net income to \$175.7m for its fourth quarter yesterday.

Sales rose by less than 4 per cent to \$2.96bn, but earnings per share rose by nearly 10 per cent to 68 cents from 62 cents because of the company's aggressive share repurchasing

The fourth quarter's modest increase in profits reflected the performance for the full year, in which total net income rose 5 per cent to \$1bn excluding the effect of restructuring costs

and special charges in 1993. Anheuser-Busch has suffered a long period of lacklustre volume growth and indifferent results caused by declining sales of Budweiser, its leading brand, and widespread discounting by competing

Yesterday, the company said the improvement was due to increased beer volumes, improved product mix and cost cutting.

The volume of beer sold rose 1.4 per cent to a record 88.5m barrels, Anheuser-Busch said. It saw an improvement in sales mix towards its premium beers, spurred by the introducperformance of Bud Light.



Rustenburg Platimum Holdings Limited Reg. No. 05/22452/06

Lebowa Platimum Mines Limited Reg. No. 63/06144/06

Potgietersrust Platimums **Limited** Reg. No. 01/08353/06

(All companies incorporated in the Republic of South Africa)

Highlights from the Interim Reports for the six months ended 31 December 1994 (Unaudited)

Rm	Rm
1,680.8	1,446.2
228.8	184.7
145.5	133.0
. 85 .2	78.3
273.6	261.7
116.1	106.1
68.0	62.5
	1,680.8 228.8 145.5 85.2 273.6 116.1

An interim dividend of 68.0 cents has been declared payable to shareholders registered at the close of business on 24 February 1995. Date of payment of dividend warrants will be 21 March 1995. (Currency conversion date 13 March 1995.)

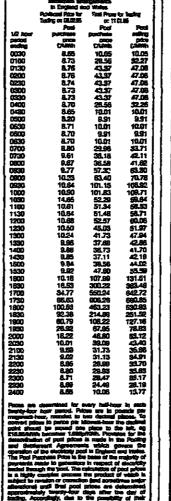
ebowa Platinum	Rm	Rm
Gross sales revenue	95.1	66.2
Profit before taxation	9.8	1.7
Profit after taxation	9.8	1.7
Capital expenditure	0.2	0.2
Earnings per share (cents)	8.2	1.4
	1004	

Potgietersrust Platinums	1994 Rm	1993 R <i>m</i>
Gross sales revenue	235.0	70.8
Profit before taxation	67.1	25.7
Profit after taxation	58.1	23.3
Ordinary dividends	36.1	12.0
Capital expenditure	6.6	45.6
Earnings per share (cents)	48.3	19.4
Dividends per share (cents)	30.0	10.0

Costs were capitalised up to the end of September 1993. The comparative income statement therefore reflects operating results for the three months to 31 December 1993.

Capitalisation shares have been awarded to shareholders registered at the close of business on 24 February 1995. Shareholders may decline the award of ordinary shares in respect of all or any part of their shareholding and instead may elect to receive an interim cash dividend of 30 cents per ordinary share. Share certificates in respect of the new shares and cheques in respect of the interim cash dividend and fractions will be posted to shareholders on or about 23 March 1995. (Currency conversion date 13 March 1995.) The terms of the award will be announced on or about 20 February 1995.

The full text of the Interim Reports will be posted to shareholders and copies may be obtained from the London Secretaries, JCI (London) Limited, 6 St James's Place, London SW1A 1NP



CONTROL YOUR POOL CASH FLOW

Norweb pool budget plan

 Fully transparent prices For More information Call the Helpline on 0161 875 7388

NORW∃B U.S. \$500,000,000

U.S. \$500,000,000

Floating Rate Notes Due 1999
In accordance with the terms and conditions of the Notes, the Interest rate for the period 9th February, 1995-to 3th May, 1995 has been fixed at ASTAPS, per annum. The interest payable on 9th May, 1996 with be U.S. \$150,150 on nonlead and U.S. \$1891.59 per U.S. \$10,000 nonlead and U.S. \$1891.59 per U.S. \$500,000. seal Agent and Agent Bank





Following its acquisition of Attwoods plc, Browning-Ferris Industries, Inc. invites all interested parties to submit proposals to acquire the German-based portable sanitation business and portable accommodation business of ADCO Attwoods & Dixi.

Business for sale ADCO Attwoods & Dixi believes itself to be the largest international provider of portable sanitation units in Western Europe, with over 40,000 units in inventory as of 24 January, 1995. ADCO Attwoods & Dixi supplies units throughout Germany and also in Belgium, The Netherlands and The Czech Republic. The units are rented out to many different end users in the industry, typically construction companies with a regular weekly cleaning service, as well as to organisers of special public events, the military and private users with individually contracted service intervals. ADCO Attwoods & Dixi is recognised as a leader in

ADCO Anwoods & Dixi is also one of the larger providers of portable accommodation units in Germany with over 6,000 units as of 24 January, 1995. The accommodation units are mainly rented by companies in the construction industry and by municipal authorities.

ADCO Attwoods & Dixi had consolidated net sales revenue in excess of DM 130,000,000 in the fiscal year ended 31 July, 1994 and has strong cash flow. Procedure

interested parties (principals only) should register their interest in submitting a proposal to acquire ADCO Attwoods & Dixi before Friday February 17, 1995. Parties registering their interest will be sent a confidentiality letter, execution of which is a condition precedent to receiving an Information Memorandum on ADCO Attwoods & Dixi. Such expressions of interest should be directed to:

> CS First Boston Ltd One Cabot Square London E14 4QI

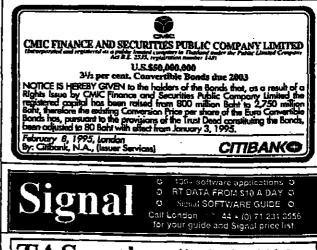
john Burke Tel: +44 71 516 1878

Tel: +44 71 516 1849 Fax: +44 71 516 3502

CS FIRST BOSTON



CN CYCE SUCCEMBERCHIES.
Similar to the Information frond in the CRB
Commonthy Your Book, the Vollet of the
Commonthy Your Book, the Vollet of the
futures industry. In addition to
instead dost. CRB information pure-rider daily
price updates via KR-Quote, Kalgha Ridder's
authorized and import end-of-day prices
directly into your database.
AUCORDÁATEAN: Binaflor Vaidi
XX Home, 78 Fact Store, London ECAY INTY
Tel: 444 (IV) 73 842 4083



THE RESERVE

Santiago (ga

54. 1

To receive the first month FREE CALL 0171 638 1500

By Laurie Morse in Chicago

WMX Technologies, the international waste handling Rust shares at \$14 each, 20 per company, said it would further consolidate its broad-based operations by buying back the 3m shares of its Rust International engineering subsidiary

owned by the public.

The disposal company, formerly known as Waste Management, last month bought back outstanding shares of its toxic waste handling operations, Chemical Waste Management. With the repurchase of the Rust International shares, only three companies -WMX Technologies, Waste Management International and Wheelabrator Technologies -

cent above Monday's closing price on the New York Stock Exchange. That price and the buy-back plan is subject to review by an independent committee of Rust shareholders. For the fourth quarter, WMX posted net income of \$205m, or 42 cents a share, on revenues

of \$2.7bn, against \$162m, or 34 cents, on revenues of \$2.4bn in the same quarter of 1993. For the year the company reported net income of \$784m, or \$1.62, up from \$453m, or 93 cents, in 1993. Revenue in 1994 rose to \$10bn, from \$8.1bn the previous year.

will continue to have shares

Shares in Waste Management International, the UK
WMX plans to buy back the
quoted arm of WMX Technoloquoted arm of WMX Technologies, fell 25p to 382p in London yesterday after the group warned shareholders not to expect more than 5 per cent growth in earnings this year, writes David Blackwell.

Pre-tax profits last year increased to £165.2m (\$257.7m) from £150.9m. Turnover rose by more than 18 per cent to £1.1hm, helped by a strong per-formance at two new facilities in Hong Kong.

Barnings per share grew from 26.5p to 27.8p. Pre-tax profits for the fourth quarter eased to £39.8m from £40.5m on sales of £283.9m, up from a pre-

Tenneco earnings advance to \$209m in fourth quarter

By Laurie Morse

Tenneco, the diversified US industrial company, reported fourth-quarter earnings from continuing operations of \$209m, or \$1.14 a share, up from \$137m, or 75 cents, in the comparable 1993 quarter.

During the period Tenneco declared its UK-based Albright and Wilson chemicals subsidiary a discontinued operation. Similarly, for the last month of the quarter, revenues from Tenneco's 29 per cent owner-ship in J. I. Case, the heavy equipment manufacturer, were

reported separately. As a result, Tenneco's buted to the corporation.

In an effort to concentrate solely on its packaging, natural gas and automotive parts businesses, Tenneco previously announced plans to spin off Albright and Wilson in a public offering underwritten in the UK.

In the results released yesterday, Tenneco said prepara-tions for that offering including provisions for environmental reserves, generated about \$25m in expenses in the fourth quarter, giving Albright

and Wilson a net loss of \$2m.
Additionally, Tenneco said
that anticipated pre-tax income from the Albright and Wilson fourth-quarter revenues dipped offering would be more than to \$2.8hm, from \$3.1hm the preto \$2.8bn, from \$3.1bn the pre- offset by taxes on the transac- Tenneco spun off 71 per cent vious year, when all of tion, which would lead Ten- of Case in public offerings dur-J. I. Case's revenues were attri- neco to claim a \$68m net loss ing 1994.

to discontinued operations in the fourth quarter.

For the full year Tenneco's earnings from continuing operations were \$641m, or \$3.49 a share, on revenues of \$12.1hn, compared with 1993's comparable earnings of \$413m,

J. I. Case separately reported that after substantial restructuring, its European operations returned to profitability in the fourth quarter.

The company said worldwide net income rose to \$46m, or 63 cents a share, in the quarter on revenues of \$1.1bn. up from net income of \$21m, or a pro forma 27 cents, on revenues of \$1.0bm in the same 1998 quarter.

NEC and HP in joint venture

By Louise Kehoe in San Francisco

NEC and Hewlett-Packard, two of the world's largest computer companies, have agreed to develop jointly and manufacture a new generation of highdete 'mainframe alternative"

The joint effort will draw on NEC's expertise in traditional mainframe computers and HP's open-systems Unix software and reduced instruction set computing (Risc) technol-

ogy.

The alliance could boost HP's sales of high-end computers in Japan and give NEC a way into the fast growing market for high-performance open systems computers, sometimes called "mainframe alternative" computers.

Mr Willem Roelandts, HP ponent of open systems. senior vice-president, said: the beginning of major enhancements for open, main-frame-class computers."

try standards so that they are compatible with computers from other manufacturers. The US company has pioneered the use of Risc microprocessors in

large-scale business computers.
NEC is one of Japan's leading computer companies with a broad range of products, from personal computers to supercomputers. It has largely focused on proprietary software although it also sells low and mid-range open-systems servers. NEC holds a stake in Groupe Bull, the French computer company which is a pro-

Details of the development This announcement signals and manufacturing pact are still under discussion. HP said.

However, as a first step in the new partnership NBC has HP is the world's leading agreed to purchase several supplier of open-systems comsystems servers for resale in

Japan.
"The large Unix-server market in Japan is about to explode," said Mr Masao Toka, NEC senior vice-president. "This alliance allows us to meet immediate customers' needs and to be at the forefront of developing Unix servers by integrating HP's open-system technology with NEC's large computer technology."

Under the agreement, NEC plans to resell HP computers valued at more than \$100m over the next three years.

CPC Int'l held back by charge

By Richard Tomkins in New York

CPC International, the US food company that makes Hell-man's mayonnaise, Knorr soups and Mazola corn oil, increased net profits by 9 per cent to \$136.5m, or 90 cents a share, in the fourth quarter. but ended the year with profits 24 per cent down at \$345.1m because of a big restructuring charge in the

second quarter.
Without the charge, CPC said full-year earnings per share would have risen by 7.5 per cent to \$3.17. CPC had warned that difficult economic conditions in Brazil and a two-month

stretch of weak volumes in Best Foods, its North American food operation, would lead to lower-than-expected earuines for the year. Yesterday CPC said con-sumer foods had increased

sales by 16 per cent to \$1.7bn in the fourth quarter, while operating profits rose by 11.6 per cent to \$218.8m.

Mutual groups to form \$37bn fund

By Maggie Urry in New York

Two mutual fund groups are planning to merge to form the fifth largest no-load company in the US, with \$37bn under management. No-load funds make no sales charges.

Twentieth Century, a Kansas City-based group specialising in equity funds, is to buy Benham Management International, a fixed income fund specialist based in California. Both groups are privately owned and no price for the deal was given.

The merger reflects a view that smaller specialist fund management groups will not survive. For instance, if the equity market turns down, an outflow of funds can bit a specialist equity fund management group. Larger firms offering a range of investments can retain investors' money as they switch from one type of fund to another.

The deal will be effected through the purchase of Benham by Twentieth Century for cash and shares. The Benham

family will end up with about 9 per cent of the group's shares. The Stowers family, which founded Twentieth Century, will have about two-thirds of

the total. The two companies have a total of 2m investors. The combined group will have more than 60 funds offering a wider range of investments than either company could alone. integration of is expected in September 1996 and a name change will be considered.

Mr James Stowers, president of Twentieth Century, said there was little overlap between the two groups' funds although both had a money market fund.

He said there were no job cuts planned as a result of the deal, as substantial growth is expected in the next few years, with a target of \$80bn to \$100bn under management by

Benham's operation is to remain in California. Mr Benham is to be vice-president of the group and will continue to run the Benham business.

SBC Comms in \$316m Chile deal

SBC Communications, the Texas-based Baby Bell telephone company, yesterday bought a 40 per cent equity stake in VTR Inversiones, a privately-owned telecommunications holding company in Chile, for \$316.6m, AP-DJ reports from San Antonio.

SBC already owns about 10 per cent of Telefonos de Mexico (Telmex), Mexico's national telephone company, through a controlling consortium with Grupo Caso and France Tele-com. Mr Edward Whitacre, SBC chairman and chief executive, said the two investments gave "a platform from which we can pursue other opportuni-

VTR Inversiones, which provides long distance, local and cellular telephone service and cable television, is controlled by Grupo Luksic, a Chilean conglomerate with interests in

telecomms, brewing, banking, mining and agriculture. It has an 8 per cent share of the Chilean domestic longdistance market and a 21 per cent share of international long distance.

Chile's long-distance telephone business is modest in world terms, with only 11.4 lines per 100 people, compared with 50 lines per 100 in the US. However, the Latin American average is nine and the market is regarded as a testing ground

for Mexico's \$3bn long-distance market, once Telmex's conces-

sion expires in 1996. VTR's VTR Telecable unit operates in 18 cities and has a potential customer base of 1.3m households, Southwestern Bell said.

VTR's cellular subsidiary holds one of two licences to serve all of Chile outside of Santiago, and its local exchange companies serve a region with a total population of one million, Southwestern

Bell said. A portion of the SBC Communications investment will be used to fund the expansion of VTR's cellular and cable netAll of these securities having been sold, this advertisement appears as a matter of record only

\$2,051,594,430



AT&T Corp.

41,238,079 Common Shares

Joint Global Coordinators

Goldman, Sachs & Co. Morgan Stanley & Co.

8.050,000 Shares

This portion of the offering has been offered outside the United States by the undersigned.

Morgan Stanley & Co.

Goldman Sachs International

CS First Boston

Donaldson, Lufkin & Jenrette Securities Corporation

Merrill Lynch International Limited

Salomon Brothers International Limited

Deutsche Bank **Paribas Capital Markets** S.G. Warburg Securities ABN AMRO Bank N.V.

James Capel & Co. Cazenove & Co. Commerzbank Aktiengesellschaft Credit Lyonnais Securities Dresdner Bank Daiwa Europe Limited Robert Fleming & Co. Limited

Internationale Nederlanden Bank N.V. **Kleinwort Benson Securities** Lehman Brothers

Nikko Europe Pic **Nomura International RBC Dominion Securities International** N M Rothschild and Smith New Court Swiss Bank Corporation **UBS** Limited Wood Gundy Inc.

33,188,079 Shares This portion of the offering has been offered in the United States by the undersigned.

Goldman, Sachs & Co.

Morgan Stanley & Co.

CS First Boston

Sanford C. Bernstein & Co., Inc.

Donaldson, Lufkin & Jenrette Securities Corporation

Merrill Lynch & Co.

Dain Bosworth

Salomon Brothers Inc

Edward D. Jones & Co.

Bear, Stearns & Co. Inc. Alex. Brown & Sons Dean Witter Reynolds Inc. A.G. Edwards & Sons, Inc. Lehman Brothers J.P. Morgan Securities Inc. Kemper Securities, Inc. Oppenheimer & Co., Inc.

Prudential Securities Incorporated PaineWebber Incorporated Robertson, Stephens & Company

Smith Barney Inc. S.G.Warburg & Co. Inc. Advest, Inc. Robert W. Baird & Co.

Cowen & Company

C.J. Lawrence/Deutsche Bank Legg Mason Wood Walker McDonald & Company Piper Jaffray Inc.

Rauscher Pierce Refanes, Inc. Raymond James & Associates, Inc. The Robinson-Humphrey Company, Inc.

Sutro & Co. Incorporated Wheat First Butcher Singer Arnhold and S. Bleichroeder, Inc.

Gabelli & Company, Inc. Gruntal & Co., Incorporated Guzman & Company Interstate/Johnson Lane

Janney Montgomery Scott Inc. Luther, Smith & Small Inc. Ragen MacKenzie Murlel Siebert & Co., Inc.

Utendahl Capital Partners, L.P. Stifel. Nicolaus & Company

February 1995

Marie 3450 4 Part of the same o A Property of

de tar circi

Transfer .

Marine Control Au Year . T. A ... May Garage

PART TO SERVICE and 📆 ·25 d . . .

精 。 - Arter 1991 and \$70 mm regular to the contract 75 Sec. 1 Anheuser-Buschi

₩

Son in fourth que

義はAD Winger Tran



٠٠٠ - المحمد

Albert Service

अन् क्ष्म्यः सम्बद्धाः सम्बद्धाः सम्बद्धाः । सन्दर्भागाः

The second second

<u>ૣૡૼ૱</u>૱૽ૺ

ما المالية

grafi de mario de la

174 207



INTERNATIONAL COMPANIES AND FINANCE

Retail recovery continues at **Sears Roebuck**

By Maggie Urry in New York

Sears Roebuck, which is returning to its retail roots with the spin-off of its Allstate insurance business planned for the middle of this year, continued its retailing division recoverv in 1994.

Group net income in the fourth quarter was \$685m, or \$1.74 a share, compared with \$545m, or \$1.39, in the same period a year earlier.

For the full year, net income was \$1.45bn, or \$2.12bn excluding one-off items, compared with an underlying \$1.69bn in 1993. Earnings per share were \$3.66, or \$5.38 excluding the non-recurring items, compared with \$4.33 last time.

Mr Edward Brennan, chairman and chief executive, said: The fundamental operating performance of Sears Merchan-dise group and Allstate contin-

ues to be strong, which positions them well going forward as two separate entities."

The retail division "turned in its best income performance since 1984," he added. Net income increased 18.4

a gain in the fourth quarter of 17.5 per cent to \$365m. Comparable store sales ro 8.3 per cent in 1994 as the chain continued to increase market share. Lower expenses and a lower provision for bad

debts on credit sales improved The international retailing business was hit, though, by lower results from Mexico partly due to the devaluation

of the peso in December.

For the year the international business lost \$7m, compared with net income of \$8m in 1993, and earned \$6m in the fourth quarter, compared with

Allstate net falls sharply after quake

By Richard Waters in New York

Allstate, the insurer which is due to be spun off by Sears later this year, reported a sharp drop in net income for 1994 as a result of the Northridge earthquake.

Before tax, catastrophe losses cost the company just under \$2bn last year, or \$975m post-tax after the release of \$81m of earlier catastrophe

These losses led Allstate to report a combined loss ratio (the proportion of premiums it pays out in claims) of just under 111, up from 103 in

The Northridge disaster overshadowed what otherwise would have been an improved year in the company's property/casualty business.

A better claims record from car and truck insurance, higher investment income and lower costs resulted in net income for the year of \$312m, compared with \$1.19bn in

Allstate's life insurance business benefitted from higher sales of annuities and costcutting, offset in part by a \$10m increase in capital losses. Income from this business rose to \$211m, from \$163m in 1993.

Overall, the biggest publiclylisted property/casualty insurer in the US reported net income of \$484m, or \$1.08 a share, down from \$1.38bn, or \$2.99, in 1993.

Fourth-quarter net income was \$163m, or 37 cents a share, compared with \$259m, or 57 cents, a year ago.

The most recent quarter also included a \$100m after-tax charge to cover the costs of an early retirement programme which the company said would lead to savings of a

Sears plans to sell its 80.2 per cent stake in Allstate by the middle of this year.

LEurope's biggest steel group, the French government has decided to strike while the tron is hot. The cyclical nature of the industry means the tim-ing is critical, and with the world steel market rebounding from the dark years of 1992-93.

France is aiming to capitalise on the upswing. As Mr Francis Mer, chairper cent to \$890m for 1994, with man, put it at the end of last month: "If you want to privatise in the best conditions, don't wait for the results of Usmor Sacilor to be even better." He was speaking before Monday's invitation for applications for

adviser banks, the first step towards a privatisation expected this summer Mr Mer was also referring to today's announcement of results for last year, which will show a return to profit after a staggering loss of FFr5.7bn

(\$1.07bm) in 1993. His comments betray his eagerness to take Usinor out of the public sector. While he argues that the company is managed like its private sector rivals, he emphasises the limits of public ownership.

"The state can no longer be a good shareholder," he said in a recent interview. "It does not have the money for industry. But if privatisation is vital to provide Usinor Sacilor with access to financial markets and the funds for development, it is also a critical operation for its shareholder. The centre-right government of Mr Edouard Balladur, the prime minister.

n launching the privatisa- has set itself a target of tion of Usinor Sacilor, FFr55bn this year from privatisation proceeds, funds which are necessary to achieve its goal of cutting the public sec-tor budget deficit to FFr275on

from FFr301bn last year. The sale of Usinor Sacilor. which Mr Mer values at more than FFr20bn, would mark an important step towards this target and demonstrate the government's determination to maintain momentum in its programme to sell 21 groups.

The complexities of the oper ation, however, are as significant as the stakes.

The sale is likely to face opposition from trade unions, which are hostile to the privatisation programme. The financial aspects of the operation are similarly sensitive The sharp rebound in profits

last year is a reminder of the volatility of the steel industry, a fact which makes the company difficult to value and which is likely to make potential investors wary. The swings in prices and in

demand from the peak to the trough of the cycle mean that steel makers face a variation in revenues of about 40 per cent," says Mr Martin Doble, director of Beddows & Co, a steel industry consultancy. "It makes it very hard to value steel companies."

Usinor's privatisation will also need to overcome negative perceptions of the sector. "For many people steel spells crisis," says one industry executive. "It brings images of plant closures and subsidy battles. **Usinor Saction** gptice, not rolled coll (index 100 = 1/1/62) 1988 86 91 92 98 Core steel proc

France forges ahead with Usinor Sacilor sell-off

The steel group has been restructured but the privatisation remains complex, says John Ridding

The government will need to get a more positive message

US Steel

It will be helped by the progress achieved by Mr Mer since he took the helm of Usinor Sacilor in 1986. A spate of acquisitions in the late 1980s, including that of Jones & Laughlin, the second-biggest US stainless steel maker, pushed the group to the top of the industry. In terms of annual production, it ranks only behind Nippon Steel of Japan and Posco of South

More recently, the emphasis rolled steel to the European

car and truck industry, to its Ugine division, Europe's largest stainless steel producer.

But significant weak points remain. Certain business areas notably the long products businesses, which include wires and steels for engineered products - have been badly hit by overcapacity and competi-

on from imports. Usinor is also labouring under a burden of debt, the result of its earlier acquisition spree. Disposals and the flotation of Ugine last year have helped reduce debts to less than FFr20bn, compared with FFr25bn in 1993. But they remain within touching distance of shareholders' funds of

More broadly, the problems

of import competition and overcapacity which have plagued the industry still pose a threat. Mr Mer believes the reduction of about 15m tonnes in capacity in the European Union is sufficient given the rise in demand. The next downturn in the industry cycle, however, will again pose the problems of capacity in western Europe. More serious is the threat of imports from eastern Europe, Russia and

Ukraine. This problem is a matter for the European policy makers rather than Usinor Sacilor. But the other challenges of privati-sation will determine the mechanics and timing of the

While Mr Mer plays down the threat of disruption from trade union opponents, the

to rule out a sale before the spring presidential elections.

The government seems prepared to opt for a full privatisation, rather than holding 51 per cent of the shares, as it did with Renault, the vehicles group. It will, however, ensure the establishment of a noyou dur, a core group of stable shareholders designed to protect the company from

redit Lyonnais, the state-owned bank which retains the 20 per cent of the shares in Usinor which are not directly held by the government, may form part of this group. Along with S.G. Warburg of the UK it was yesterday appointed as adviser to Usinor. The state-owned bank is, however, set to cut its stake to raise funds to support its fragile balance sheet.

To bolster Usinor's balance sheet and to fund an expected expansion in international markets, a capital increase to coincide with privatisation appears probable.

The government declines to comment on its intentions; We have just started the process to appoint adviser banks, said one official.

"After more than 10 years in the public sector it is not a question of rushing the issue through.

But if the bold step in pushing Usinor to the front of the privatisation queue is a guide, the next steps are unlikely to

Three USAir unions offer | DLJ hires team for move | Lockheed turns in \$137m labour concessions plan

By Richard Tornkins

USAir, the heavily lossmaking US carrier in which British Airways holds a minority stake, announced that three o its main trade unions had iointly submitted a plan under which they would offer labour concessions as part of a scheme to turn the airline around.

The company refused to discuss the contents of the plan, but it seems likely that it mirrors other US airline

agreements in which employees have traded wage cuts for equity stakes and representation on their boards. USAir has been trying for 10 months to win a cost-cutting agreement with its unions.

It says it needs to cut costs by \$1bn a year if it is to compete with other airlines. The plan is significant because earlier talks with unions have stalled on the issue of how the labour concessions should be spread between the different employee

into emerging markets

By Lisa Bransten in New York

Donaldson, Lufkin & Jenrette, the US securities house, is taking its first step into emerging markets finance by hiring four senior bankers from Bankers Trust to run a newly-formed Latin American business

Although turmoil in emerg ing markets has caused big losses for some banks, DLJ said it saw recent events as an opportunity rather than a deterrent.

Mr Neil Allen, former managing director and head of Latin American business at Banker's Trust, will run the

has been on restructuring to

improve efficiency. The head-

count has been reduced

sharply, from 95,750 in 1989 to

about 62,000, while productivity has risen steadily. On aver-

age, it now takes less than

three man hours to produce a

ton of steel at Usinor, com-

pared with 5.1 man hours in

progress," says Mr Doble at Beddows & Co. He cites several

strong points at Usinor Sacilor,

ranging from its dominant

position as the supplier of flat

They have made very good

new group for DLJ. Three other Bankers Trust managing directors have moved to DLJ to head new businesses in Latin American equity derivatives, trading and iles, and mergers and acquisitions.

Business at DLJ, which is owned by the insurance group Equitable Companies, was almost entirely focused on US

for final three months

Lockheed, the US aerospace and defence group, reported net income of \$137m for the final three months of 1994, the last full quarter before the expected completion of its \$9bn merger with Martin Marietta. At \$2.14 a share, compared with \$2.13 in the final months of 1993, the results were in line

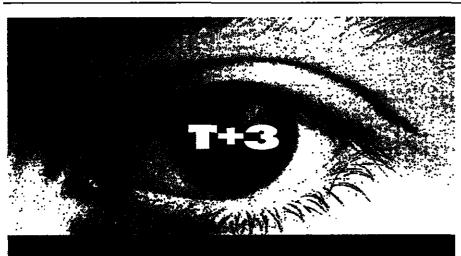
with expectations.

The latest figures were affected by a \$25m charge to cover a settlement agreed with US regulators last month

over a bribery charge. The company admitted to paying a \$1m bribe to an Egyptian official to support sales of its C-130 aircraft to the coun-

For the whole year, net income rose to \$445m, or \$7.00 a share, up from \$422m, or \$6.70, the year before. Sales were unchanged at \$13.1bn.

The merger with Martin Marietta was cleared by the US Federal Trade Commission last month, and is due to be voted on by both companies' share-holders next month.



Are you looking to the future? 1 JUNE 1995

On this day, the settlement period for international securities will be reduced to T+3 business greater efficiency, lower costs and reduced risk within the industry.

Will you be ready? 16 WEEKS AND COUNTING

15-M A Setting New Standards

INTERNATIONAL SECURITIES MARKET ASSOCIATION RIGISTRASSE 60 P.O. BOX CH-8033 ZURICH TEL (41-1) 363 42 22 TELEFAX (41-1) 363 77 72 TELEX 315 812

Notice to the Holders of outstanding

CHIEL FOODS & CHEMICALS INC.

US\$30,000,000 3% Convertible Bonds due 2005

(the "Bonds" and the "Company" respectively)

NOTICE IS HEREBY (BIVEN to the holders of the Bonds that, as a result of the issue by the Company of 201,442 common stock of the Company, the existing Conversion Price per share of proferred stock of the Company has, pursuant to the provisions of the Trust Deed constituting the Bonds, been adjusted from

the Trust Deed constituting the Bonds, been as W23,469 to W23,049 with effect from January 1, 1995.

US\$175,000,000 Floating rate depository receipts due 1997 issued by

groups.

The Law Debenture Trust Corporation plc evidencin entitlement to payment of principal and interest on



BANCA DI ROMA ondon Branch

Notice is hereby given that the receipts will bear interest at 6.6125% per annum from 8 February 1995 to 8 August 1995. Interest payable on 8 August 1995 will amount to US\$3,324.62 per US\$100,000

Agent: Morgan Guaranty Trust Company

JPMorgan



Italian Lire 150,000,000,000 Floating rate notes 1999

Notice is hereby given that for the interest period 8 February 1995 to 8 August 1995 the notes will carry an interest rate of 8.85% per annum. Interest payable on 8 August 1995 will amount to ITL 222,479 per ITL 5,000,000 note and ITL 2,224,792 per ITL 50,000,000 note.

Agent: Morgan Guaranty Trust Company **JPMorgan**

Antofagasta Holdings P.L.C.

Southwestern Bell Corporation Buys a 40% Interest in **VTR Inversiones**

Autologasta Holdings announces that on Monday, 6 February 1995, S.B.C. International, Inc. (S.B.C.I.) a subsidiary of Southwestern Bell Corporation acquired 27.6 million shares in VTR Inversiones S.A., a leading Chilean International telecommunications company. The aggregate price paid was US\$316.6 million or

US\$11.49 per share. A rights issue for 20:7 million shares was fully taken up by S.B.C.I. which in addition has purchased a further 6.9 million shares from some of the existing shareholders at the same price per share. As a result, Antofagasta Holdings has received CH\$ 9.298 million in cash, equivalent

sale of 1.98 million shares representing 4.1% of the share capital before the rights issue. Following the rights issue, the company's equity interest in VTR Inversiones is 14.55% which, based on US\$11.49 per share, has a market value of

Antofagasta Holdings acquir its initial interest in VTR in February 1986 at a not cost of US\$1.4 million. The carrying value of the 4.1% disposal was US\$1.0 million giving rise to a net profit of US\$21.72 million.

In 1994, the Group received dividends attributable to this investment of US\$305,722 (1993 - US\$52,000). Proceeds from the sale will be used for to USS22.72 million, for the general corporate purposes.

NOTICE OF REDEMPTION **Nacional Financiera, S.N.C., Trust Division** as Trustee of the Maffin Finance Trust parasteed Floating Rate Notes Due 1997 CUSIP No. 629718-AA5*

NOTICE IS HEREBY CIVEN, pursuant to the Indenture dated as of December 15, 1992 under which the above described Notes were issued that Nacional Financiera, S.N.C., Trust Division, as Trustee of the Nafin Finance Trust will redeem on March 15, 1995, 13.47612677913% of the Outstanding Principal Amount of the Notes, amounting to 39,060,000.00 on a pro rata basis in accordance with their respective Outstanding Principal Amounts. The amount of principal to be paid with respect to

on March 15, 1995, there will become due and payable on each Note the above amount, together with interest accrued to March 15, 1995. On and after such date interest will cease to accrue on the Notes (or portion

thereof so redeemed). mereos so receems...).
Payment of the redemption amount plus accrued interest on Bearer
Notes will be made upon presentation and surrender of the appropriate coupon to one of the Paying Agents listed below:

Citibank, N.A. 336 The Strand London, WC2R 1HB England

Citibank (Luxembourg) S.A. 16 Avenue Marie-Therese Grand Duchy of Luxembourg

February 8, 1995

"This CLISIP number has been assigned by Standard & Poor's Corporation and is included solely for the convenience of the holders. Neither the Issuer nor the Note Trustee shall be responsible for the selection or use of the CLISIP number, nor is any representation made as to its correctness on the Notes or as

NOTICE

As of January 1, 1993, withholding of 31% of gross proceeds of any interest payment made within the United States may be required by the Internal Revenue Code of 1986, as amended by the Energy Policy Act of 1992, unless the Paying Agent has the correct toppayer identification number (social security or employer identification number) or tion certificate of the Payee. Please furnish a properly complet W-9 or exemption certificate or equivalent when presenti

BUSINESSES FOR SALE

Appear in the Financial Times on Tuesdays, Fridays and Saturdays.

For further information or to

advertise in this section please contact Karl Loynton on +44 171 873 4780 or Lesley Sumner

on +44 171 873 3308

PERSONAL

PUBLIC SPEAKING Training and speech

SOCIETE GENERALE ACCEPTANCE N.V. ITL 11,800,000,000 ZERO COUPON EURO MEDIUM NOTE DUE FEBRUARY 8th, 1995 ISIN CODE : XS004886984

Notice is hereby given that the Final Redemption Amount applicable upon redemption of each note will be: ITL 10,357,224 per denomination of ITL 10,000,000

Reimbursement of the nominal will be made on February 8th, 1995 in accordance with Condition 6 "Payment of the Terms and Conditions of the Notes

AGENT SOGENAL SOCIETE GENERALE GROUP 15, Avenue Emile Reuter LUXEMBOURG

ACT NOW

THE PRINCIPAL PAYING

LAURIE

CONTRACTS & TENDERS

CITY OF SAN REMO

Announcement of a Contest for the Decennial Review of the Town-Planning Scheme

ABSTRACT

The City of San Remo 18038 (Italy), Corso Cavallotti No. 59 - TEL 0184/534011 - Fax 0184/575030 - will give the task for the Decennial Review of the Town-Planning Scheme, through a negotiated procedure to be carried out according to the EEC Directive 92/50, Council of 18

Authorised Expense: Lit. 800,000,000 VAT included. Applications must be sent in the form and with the elements indicated in the integral version of the announcement of the contest (available at the City Territorial Department) before 21 February 1995.

Announcement of the contest sent to the Official EEC

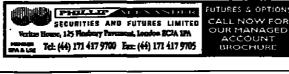
Publications Office on 6 February 1995. City Territorial Department The Manager

Alberto LOCATELLI

To receive the first month FREE CALL 0171 638 1500

February 8, 1995, London By. Citibank, N.A. (Issuer Services)

CITIBANO

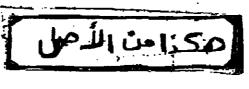




Petroleum Argus



The 1995 Rates Reval will affect your tax liability For advice without obligation Contact Roger Dunlep



MASS, 1934; a

continues.

AND THE STATE

The Target

والمستوال والمستوالا

Application of the state of the

Later of the property

新安心 走上。

The state of the s

Note that we will

And Spiritary in the

و مراجع وي ز

400

35

Lockheed turns in

for final times many

Burger Halling & and My Tart Before 24 ?

TE BEGINS

₹₽°TEE .

老妻 写

Transfer

Pirelli considers selling shares in Brazilian divisions

Pirelli, the Italian cable and tyres group, is considering the sale of preference shares in its Brazilian subsidiaries to raise money for fur-ther expansion, writes Andrew Hill in Milan.

Pirelli said it wanted to attract new international investment in its Brazilian companies. It also wants to use the cash raised through an offer to take advantage of "new business opportunities in Brazil, in particular those generated by the privatisation process now

under way".
Shares in the two companies - Pirelli Pneus (tyres), and Pirelli Cabos (cables) - are already nuoted on the São Paolo stock exchange. The Italian group said it would maintain a majority stake and full managerial control of the

companies.

Latin America is one of the most important world markets for Pirelli, accounting for about

19 per cent of overall group turnover.
The placing of preference shares is likely to happen this year, although a final decision has not yet been taken on whether to go ahead, Pirelli said it had named Paribas Capital Markets as global co-ordinator for a possible offer of preference shares. Mediobanca, the Milan merchant bank, is acting as adviser, and Banco BBA Creditanstalt will head the local

Higher prices help turnround at Stelco

Stelco, one of Canada's two biggest steelmakers, swung back to a profit of C\$115m (US\$82.3m), or \$1.01 a share, in 1994 from a loss of \$36m, or 62 cents, in 1993, writes Robert Gibbens in Montreal.

The turnround was based on higher prices and shipments of sheet products. Revenues were \$2.8hn, up 12 per cent. At the operating level, income quadrupled in spite of a shortfall in output because of blast furnace problems. Fourth-quarter net profit was \$49m, or 42 cents a share, against \$13m, or 12 cents, on

revenues of \$736m, against \$670m. Stelco warned that 1995 figures could be affected by slower North American economic growth, blamed on higher interest rates.

SmithKline Beecham invests in Ligand

SmithKline Beecham, the UK pharmaceuticals company, is to invest up to \$21.5m in Californian biotechnology company Ligand Pharmaceuticals as part of a research collaboration, writes Daniel Green in London.

The collaboration will focus on the discovery of drugs to control the formation and development of blood cells.

SmithKline will make an initial equity investment by acquiring \$5m worth of Ligand's common stock. It will have worldwide marketing rights to whatever products it tion, subject to Ligand's right to elect up to

San Diego-based Ligand, founded in 1987, already has several other collaborations established, notably with Glazo of the UK and Aller-

gan and Abbott Laboratories of the US. The company specialises in a technology related to the inner workings of human cells.

AlliedSignal maintains growth with 16% rise

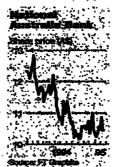
AlliedSignal, the diversified US manufacturer. maintained its growth rate in the fourth quarter with earnings up 16 per cent at \$205m, or \$0.73 a share, writes Tony Jackson in New York. Earnings for the full year were up 16 per cent at \$759m, or \$2.68. The dividend was also increased by 18 per cent, for the third year

The fastest profits growth in the group's three divisions in the final quarter came in engineered materials, consisting of plastics, laminates and fibres. Earnings were up 26 per cent at \$82m, on sales up the same amount. It attributed the rise to volume increases across the board.

The vehicle components division produced a 16 per cent rise in quarterly income before special items, to \$57m, on sales up the same

In aerospace, income rose 14 per cent to a record \$88m, on sales up 9 per cent. This was the second quarterly increase in aerospace sales after three years of decline.

NAB stock hit by acquisition doubts



Shares in National Australia Bank, the largest of Australia's "big four" commercial banks, fell sharply yesterday as investors digested the news that plans to spend US\$1.55bn acquiring Michigan National Cor-poration, writes Nikki Tait in Sydney. By the close, NAB shares had fallen 42 cents to \$10.44 - a loss of almost 4 per

cent - while banking rivals such as Westpac, ANZ and Common-wealth Bank, all posted gains on the day. On Monday, when the acquisition was announced, NAB shares initially ralked, but

eased for a 4 cent gain by the day's close. Most local analysts had been fairly sanguine about the deal, partly because of the bank's own comments that the transaction should have minimal impact on earnings in the short term and benefits longer-term.

Standard & Poor's, the US credit rating agency, yesterday affirmed NAB's AA long-term and A-1 plus short-term ratings. It said that the goodwill element in the purchase price was "fair", but would result in some "initial weakening" of capitalisation levels. However, S&P said that NAB's ability to generate internal capital should restore the position fairly quickly.

Nevertheless, yesterday's share pressure was being attributed to fears, said to have been expressed by US analysts, that the Australian bank might be offering too much for

Strong quarter returns CanPac to the black

A strong fourth quarter helped to put Canadian Pacific into the black in 1994. However, outlook for 1995 is clouded by the threat of a rail strike, writes Robert Gibb

CanPac reported net profit of C\$393m (US\$284.4m), or \$1.16 a share, for the year net loss of \$190.6m, or 60 cent 1993 after special items. Revenues were \$7.1bn against \$6.3bn. Operating income was \$1.1bn

Fourth-quarter net profit was C\$100m, or 29 cents a share, against a loss of \$117.5m, or 37 cents, on revenues of \$1.86bn, against \$1.7bn.

Brierley Investments lifts Goodman stake

Brierley Investments, the investment group headed by Sir Ron Brierley, has again lifted its stake in Goodman Fielder, the large but troubled Australian food group, writes Nikki Tait.

BIL disclosed it had acquired about 4.9 per cent of Goodman last week, through a series of purchases at the end of last year and in January. Its stake has now moved up to 5.3 per cent.

Israel sells 24.9% stake in chemicals group

The Israeli government yesterday sold a 24.9 per cent stake in Israel Chemicals, the country's biggest chemicals and fertiliser company, to a group controlled by Mr Shoul Eisenberg, a leading Israeli

The sale, which values the company at \$925m, is the government's biggest divestment in more than a year under the stalled privatisation programme. It paves the way for the sale of 22 per cent

capital markets in Israel's first global public offering of a governmentcontrolled company. After the global share offering, the

28 per cent. It floated 25 per cent some two years ago.
Mr Yossi Nitzani, head of the govern-

government's stake will be reduced to

ment companies' authority, said the 24.9 per cent stake had been sold for \$230.3m to an investor group 50 per cent-owned by Israel Corp. The other member of the group is an unnamed foreign company wholly-owned by Mr Elsenberg. The deal, Mr Nitzeni said,

would need approval from the trade ministry and the Israeli parliament, but he expected the sale to be closed within the next week or two.

Mr Nitzani said Mr Eisenberg would this month appoint new members to the Israel Chemicals board. Although the government will remain the largest single shareholder with a "golden share", the Eisenberg group will be granted a majority on the board and will have management responsibility.

The government said it was deter-mined to push ahead quickly with the

markets. Wertheim Shroeder has been appointed lead co-ordinator for the

offering. Israel Chemcical's profits for the first nine months of 1994 were up 12 per cent at \$34m on a 13.8 per cent increase in revenues to \$908m. The results reflected improved world prices and market con-

ditions for principal products. Israel Corp, which is owned 55 per cent by the Eisenberg family, also has 50 per cent of the Zim Israel shipping company and 26 per cent of state-

Banks jostle to greet new kid on the block

Much hangs on the sale of 25% of Bezeq, Israel's state telecoms group, says Julian Ozanne

expected next week to name the lead co-ordinator for Israel's largest global stock offering and one which will be a benchmark of its privatisation programme.
On the block is a 25 per cent

stake in Bezeq, Israel's state telecommunications company Its sale marks a new era of competition and liberalisation in the country's telecommunications sector.

The offering, due in June, will reduce the government's holding to 51 per cent, following two previous offerings for a total of 24 per cent on the Tel Aviv Stock Exchange.

Competition among international investment banks over whether New York or Europe should lead the \$700m offering is intense. Among banks lining up for presentations in New York this week are Merrill Lynch, Goldman Sachs, Wertheim Schroeder and Smith Barney. They follow similar presentations by Barclays de Zoette Webb, Warburg and Union Bank of Switzerland in London last week. Morgan Stanley is advising the government on the privatisation.

After the 25 per cent offer-

example of success breeding success.

Shropshire countryside.

extensive woods and lakes.

It is situated in the heart of unspoilt

It has one of the best ratios of built

It is easy to get about with 800 km of

environment to open space anywhere in

Europe, including a 450 acre town park,

fast roads and only 6 sets of traffic lights.

ing, the government plans to sell a stake to a strategic investor. International telecommunications companies such as AT&T, Southwestern Bell, British Telecom, Cable & Wireless and Deutsche Bundespost have had talks with Bezeq on such

Bezeq has already begun to face competition in the booming domestic cellular market from a second company which started operations last month. The government will also license two other operators this year to compete for inter-

national traffic. In 1984, when the company was transformed from a government department to a corporation, Mr Isaac Kaul, Bezeq president since 1990, said there were 256,000 people waiting for new lines, one-third of whom had been waiting for more

than a year. However. in 1993 Bezeq invested Shkl.4bn (\$466m) in bringing the operation up to date. It installed 252,000 new lines, lifting 1992 capacity by 31 per cent. Waiting time for a phone was reduced to a maximum of four weeks. Digitalisation was increased to 80 per cent, and use of cellular

phones by 79 per cent. Mainte-nance standards were lifted until the company was able to repair 30 per cent of faults in two hours. It also logged a 14 per cent increase in the num-ber of calls made, to a record 12,600m meter units.

Business information service Dun & Bradstreet in 1998 ranked the company first out of 200 Israeli industrial, commercial and trading companies in terms of revenues. Bezeq's sales were \$1.7bn, up 7.4 per cent over 1992 figures, and net profit rose 22.5 per cent to Shk282.6m. The improvement came in spite of the govern-ment's decision to erode tariffs by 10 per cent in real terms,

he sale of the 25 per cent stake will allow Bezeq to retire part of its Shk3.5bn debt to the state, with expected savings of Shk100m a year.

and its continuing heavy debt

Mr Kaul says further privatisation will allow a substantial reduction of government influ-

ence in management.

After the sale, the company

cial problems after the tariff reductions. "We would have been a lot tougher if we had been allowed to negotiate independently," says Mr Kaul. However, before the 25 per cent sale can go ahead, the government must decide on

ees. Last year's wage agree-

guidelines for the tender for competition in international calls. International services account for 35 per cent of Bezeg's revenues and most of its profits. Bellsouth, AT&T. MCI and Sprint of the US, and others, have expressed an interest in bidding for the international service tender. Mr Kaul believes expansion

will come from the local and international traffic network; the cellular mobile phone market; joint ventures with foreign companies to operate networks abroad; the development of infrastructure in the Middle East; and new services and data networks with multimedia facilities.

He says there is great potential to expand Israel's domestic hopes to enter direct wage bargaining with its 10,000 employnetwork. Israel has a line den-

ments, signed by the government, lifted Bezeq's salary ada and Sweden. Bezeq believes Israel will eventually costs by Shk150m in real achieve these levels of density terms, compounding its finan-

> n the cellular mobile phone market, Bezeq last year formed a subsidiary with Motorola of the US to meet the competition from new operator Cellcom, a joint venture between Bellsouth of the US. the Safra banking family and Israel's Discount Investment Company. The venture plans to invest \$300m over the next three years.

There are 130,000 Israeli cellular subscribers, and Mr Kaul says this figure should climb to Im by the end of the decade. The company has allocated

\$100m over the next few years to the development of joint ventures abroad. It already has a joint venture with Matav of Hungary to operate a 100,000line concession in Hungary and is seeking or developing projects in Poland, Macedonia. Azerbaijan and Kazakhstan. Bezeq also sees the potential

for new business with Arab neighbours, demonstrated by last year's opening of lines between Israel and Jordan.



£2,000m of private and public investment means better infrastructure, environment, training, transport, quality of life

The government primed the pump. and future. Since then wave after wave of private investment has flooded in. No wonder that Telford is now seen as a prime

> Find out how the outlook for your business is better from

0800 16 2000

giving rapid motorway hub access to all parts of the country.

It has a young growing workforce that is stable, willing and adaptable to new work challenges.

And it has an enviable record of

industrial relations. If you're considering relocation see

Telford before making any decision.

You'll see the difference that continued confident investment can make. Call freephone 0800 16 2000 or

complete the coupon for further information.

It is linked by the M54 to the M6

The Council of Europe Social Development Fund ECU 2,000,000,000 Programme for the Issuance of Debt Instruments MORGAN STANLEY & CO. Arranger for Doutsche Mark Instruments MORGAN STANLEY S.A. -MORGAN STANLEY BANK AG LEHMAN BROTHERS GOLDMAN SACHS INTERNATIONAL MERRILL LYNCH INTERNATIONAL MORGAN STANLEY & CO. URS LIMITED MORGAN STANLEY S.A.

Beatles help Thorn beat forecasts

The sale worldwide of 4.5m copies of the Beatles Live at the BBC helped Thorn EMI lift pre-tax profits at the nine month stage to £343.7m (\$540m), ahead of City forecasts of between £330m and £336m. "Altogether it has been an

excellent nine months," said Sir Colin Southgate, chairman, who expects the full-year outcome to match the nine month performance.

company announced the widely expected decision to leave the overcrowded and highly competitive UK electrical retail business with where losses over the last discontinued operations. They three years had been running In addition to closing Rum-

belows, the group is also ending its experiment with 36 Fona stores. These were introduced as an attempt to reposition Rumbelows by imitating the group's chain in Denmark where Fona is the market leader in electrical retailing. "We saw no way that that

£12m would not be there next year or the year after," said Sir Colin. "If we had known any other route out we would not Group profits, to December

31, were struck on sales of

compared with previous profits of £246.9m on sales of £3.3bn, including £254.9m from discontinued operations.

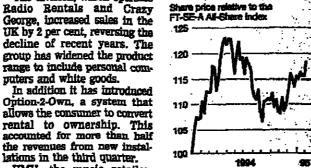
Operating profits at EMI Music grew from £212m on sales of £1.37bm to £252.7m on sales of £1.7bn. In addition to the Beatles, the group notched up good sales of recordings by Garth Brooks in the US and

local stars in Japan. Sir Colin described the results from Thorn Group, the rentals division, as fantastic, with a 25 per cent increase in like-for-like sales in the UK in spite of the losses at Rumbelows. Operating profits grew to 23.4bm, including 253.1m from £100.5m (£89.8m) while sales

improved to £1.18bn (£1.11bn).
The division, which operates Radio Rentals and Crazy George, increased sales in the UK by 2 per cent, reversing the decline of recent years. The group has widened the product range to include personal computers and white goods.

rental to ownership. This accounted for more than half lations in the third quarter. HMV, the music retailer more than doubled operating profits from 26.5m to £14.4m on sales of £376.1m (£308.7m). The

group reported an increase of



almost 17 per cent in like-for-

Faint glimmers of hope in a mayhem market

Neil Buckley on the UK's cut-throat electrical sector, as 2,500 jobs go at Rumbelows

EMI to close its 285-strong Rumbelows elec-trical retailing chain provides cut-throat nature of UK electrical retailing

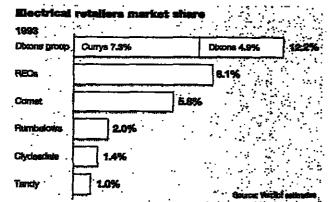
Thorn's move, resulting in the loss of 2,500 jobs, comes after more than a year of bad news for the sector.

Professor Stephen Littlechild, the electricity regulator, revealed, late in 1993, that the privatised regional electricity companies' retailing arms had incurred total losses of £105m over the previous three years. In January 1994, Dixons, the UK's largest electrical retailer, rushed out disappointing trad-ing and profits figures earlier than planned, shortly before Clydesdale, the electrical superstore group based in Scotland, collapsed. Last month, Comet, the UK's

second largest electrical retailer, reported an 11 per cent fall in sales in the 23 weeks to January 7. Sir Colin Southgate,

chairman of Thorn EMI, said yesterday that electrical retailing was a "mayhem market" where "no one makes any money, either in or out of However, some analysts

believe the worst might be The closure of Rumbelows



will ease the overcapacity problems in the market; and, with increases in disposable incomes expected to lead to a pick up in electrical goods sales, yesterday might come to be seen as the low point. The electrical goods sector

has followed a broadly similar pattern to many others in the past decade. In the years 1986 to 1988 it grew spectacularly. A lively housing market stimulated demand for white goods such as fridges and washing machines, while high disposable incomes encouraged

video cassette recorders. A shift from small highstreet outlets to out-of-town superstores began to accelerate, with independents losing

a boom in products such as

out to large groups. One of Rumbelows' biggest mistakes was to remain in the high street, rather than moving out of town, leaving it unable to

compete with the big super-

According to the Department of Trade and Industry's annual retail inquiry, the number of electrical stores fall from 16,800 in 1984 to 14,800 in 1993. At the same time, according to Verdict, the retail research group, the number of superstores grew from 147 to 600, and superstores increased their share of the electrical market from 6.6 to 19.8 per cent.

Since 1989, however, the electrical market has been one of the retail sectors hit hardest by recession. Growth in spending per cent a year before picking up in 1993, when Verdict val-

ued the market at £10.6km. And the privatisation of the regional electricity companies, which started to expand their high street retailing busises, has led to serious overcapacity problems.

Although most of its stores were acquired by Scottish Power, the Scottish regional electricity company, the demise of Clydesdale went some way towards easing those problems, as will the closure of Rumbelows, which had 2 per cent of the UK electricals market. In addition, several regional electricity companies are rumoured to be considering cutting back expansion plans or withdrawing from retailing.

If Trafalgar House succeeds in its bid for Northern Electric, the latter's electrical retailing arm is widely expected to be an early casualty.

The expected growth in disposable incomes in the UK could also rekindle the electrical market. As in other highly competitive sectors such as DIY, however, there will be no return to the easy profits of the late 1980s. Only companies that have spent the recession years getting their strategy right are expected to prosper.

One such company is Dixons, which issued an encouraging

on electrical goods shrank to 2 set of results last month, in sharp contrast to the previous January. It has a clear strategy of developing Dixons stores with a bias towards high-tech brown goods, in the high street, and expanding its Currys chain, which concentrates more on lower-tech and white

goods, out of town. In addition

its expanding PC World chain

is well placed to take advan-

tage of the upsurge in multimedia commuters. The outlook for Comet, the UK number two, is less rosy. Its strategy is confused, and it is still trying to improve its systems and reap the benefits from its parent group Kingfish er's acquisition of Darty, the successful French electrical

retailer. Some analysts believe the chain is likely to be downsized. Verdict believes there may be room for four out-of-town electrical superstore groups in the UK, and competition to fill the remaining two slots is

likely to be between the largest regional electricity companies. At present, these are Powerhouse, a merger of Eastern, Southern and Midlands Electricity, Norweb and Homepower, an alliance between East Midlands and Yorkshire Electricity. But competition will remain

tough, and Rumbelows may not be the final casualty.

LEX COMMENT

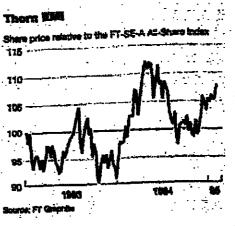
Decisive Thorn EMI

The market's unenthusiastic reception of the details of Thorn EMI's Rumbelows closure is unfair. Rumbelows was badly positioned in an exceptionally competitive market and had no possible value to anyone else. The management's recent test run of converting stores to the Fona flag may have been a 25m dud, but at least Thorn has been decisive in moving to cut its losses. The £116m of closure provisions will be partially recuperated as Rumbelows' £12m of annual losses are stemmed. It is only to be hoped that the same management broom may rapidly be applied to the loss-making electron-

The remaining two legs of the business have fared well. Like-for-like music profits increased by 14 per cent, and margins climbed towards the stated target of 16 per cent. The rental business achieved record profits, despite the performance of Rumbelows. Its strategy of introducing rental-to-own agreements has been extremely successful. These account for half of new UK agreements, and are enhancing

profit margins.

Nonetheless, with the shares rated on a 20 per cent premium to the market for the current year, it is geiting hard for Thorn to pro-vide pleasant surprises. Demerger of the rent-



Wellco

als operations from music is on hold, due to the tax bill that would result - estimated at up

There is considerable potential for improving returns from EMI's vast music catalogue as a result of the explosion of new multimedia products, such as CD-Rom. But benefits look too far away to justify share price outperform-

NatWest plans UK branch restructuring to cut costs

National Westminster Bank is to restructure its UK branch banking business, with the aim of making cost savings and of focusing more specifically on the different areas of activity the business comprises.

Job losses are likely in back office administration posts, as the existing 18 UK regions are replaced by 10 for retail banking and six for corporate bank-

weeks before NatWest is expected to announce full-year pre-

tax profits of £1.5bn. Alongside the split between retail and corporate banking in the regions, the business will also be more clearly divided into six business units: retail banking, corporate banking, mortgages, life and investment, general insurance, and card services.

The identification of mortgages as an area where the

The plans have emerged two bank wants to develop "a major and profitable presence is striking, as it comes when the recovery in the UK mort-gage market is still fragile and uncertain, and competition for new mortgage customers is putting pressure on lenders' interest margins and income from fees.

The restructuring is likely to mean cuts in jobs and activities at head office, reflecting the shift of responsibilities to

Nintendo and BCE in \$1m deal

BCE Holdings yesterday announced a deal with Mintendo that will enable the group to benefit from Ultra 64, a 64-bit games machine to be isunched this sutumn.

Nintendo of America has appointed Software Creations, a BCE subsidiary, to develop a sound package for the new machine, and to develop a

The two projects will generate an advance of

NEWS DIGEST

BCE is a USM-traded snooker and pool prod-

nois distributor that moved into the electronic games business only last November, paying 29.98m for Software Creations. Games developed by Software Creations include Terminator 2 and Spiderman and it has longstanding links with Nintendo.

Mr Robin Jones, BCE managing director, described the deal as "a real feather in our

IS INTERNATIONAL INVESTMENT

ALL GREEK TO YOU?

it needn't be.

Financial Times Magazines publish a monthly magazine specially written for the investor with a global perspective. We recognise the need for impartial investment advice written by people who understand every aspect of overseas. Already thousands of shrewd subscribers have investment.

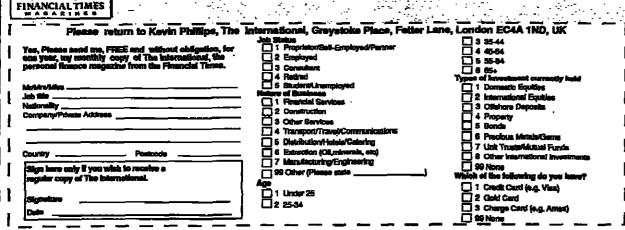
It's called The International.

And you don't have to be an economist to understand it. FINANCIAL TIMES

With a wealth of editorial in every issue, it's the essential guide to the world of finance. And because The International is published by the Financial Times its pedigree is impeccable.

realised The International's other great benefit. IT'S ABSOLUTELY FREE FOR ONE YEAR.

To join them simply complete the free subscription ferm below.



Schroders Property Fund buy

Schroders International Property Fund has acquired a Betacom, the telecommunicaportfolio of seven retail and office properties in Belgium, Germany, the Netherlands and Spain from Norwich Union, the insurance company.

The fund is paying F170.8m (£26.4m) for the properties, giving an initial yield of about 8.5 per cent at current rents.

TT/Meggitt

Shares in Meggitt rose 8%p to 72p yesterday after TT Group, acquisitive conglomerate, said it had purchased a 4.8 per cent stake in the engineering and electronics company.

gitt, which last month sacked the management teem at one of its main US subsidiaries. Betacom doubles

The share price rise reversed

recent losses incurred follow-

ing a profit warning by Meg-

tions equipment company, said it had expanded its export business, particularly in Zimbabwe and Germany, as it reported doubled profits for the six months to December 31.

Zotefoams

Improved sales in North America and increased productivity enabled Zotefoams, the specialist foams manufacturer which is coming to the market in a £50m flotation, to announce a 62 per cent rise in profits. Mr Bill Fairservice, managing director of the former BP

toys, sports equipment, body armour and aircraft seats. Alpha Airports

Alpha Airports Group has acquired two flight kitchens in the US and is selling its two Portuguese flight kitchens. Alpha is paying Jerry's an

Chemicals subsidiary, said the

improvement reflected

increased demand from manu-

facturers of products including

will also assume a further 2600,000 of borrowings. In Portugal, Alpha is selling its Lis-bon and Faro kitchens for

£1.7m cash to Gate Gourmet.

Blacks/Fila deal

initial £3.2m cash plus up to a further profit-related £1.9m for two kitchens at Miami and Orlando airports. The company

Blacks Leisure Group, the

camping, sports and fashion

agreement for the promotion and sale of Fila footwear and clothing in the UK. Blacks will hold 40 per cent

of a new joint venture. Fila UK, with the balance held by Fila Nederland. Blacks intends to invest £40,000 in the venture and provide loan facilities of

UCM purchase

Universal Ceramics Materials is to acquire the assets of Tateho America, a supplier of electrical grade magnesia based in Greeneville, Tennessee. The consideration is a maximum \$4m cash.

Tateho, a direct competitor of UCM, will be operated by the group's new subsidiary Universal America and will enable it to enter the market for friction grade magnesia

Strong rises in BSkyB and US television with higher UK advertising

News Corp advances 8% to A\$673m

News Corporation, Mr Rupert Murdoch's ence between expected revenues from the international media group and the parent of News International, reported an 8 per cent rise in interim profits after tax but before abnormal items The advance to A\$673m for the six

months to December 81 reflected a strong improvement in operating results from the British Sky Broadcasting associate and from US television interests. BSkyB, in which Pearson, owner of the

Financial Times, has a 14 per cent stake, reported a 46 per cent increase in interim pre-tax profits to £55m in its first results A buoyant advertising market and rat-

ings gains from the airing of National Football League games on the Fox net-work helped the US television side lift operating profits to A\$260m (A\$205m). There was, however, a \$350m (£224m) write-off on the NFL contract - the differ-

contract over its four-year life and the expected costs. Fox paid \$1.56bm for the contract in December 1993.

Operating profits at News International, the UK newspapers group, increased to £56m (A\$116m), against £50m, as a result of improved advertising income and increased circulation spurred by the price cuts of the UK's newspaper war. Advertis-ing rates went up by 15 per cent at The Sun, The News of the World and The Times in September 1994. Star TV, the Asian satellite broadcasting

venture, now has an audience of 58.7m homes throughout Asia, India and the Middle east, an increase of nearly 30 per

cent since January 1994.

Mr Gus Fischer, News International chief executive, said: "The UK newspaper market remained highly competitive during the last six months. The group has

continued to benefit from the massive investment in people and plant and machinery

Despite a rise in BSkyB's subscription costs in October, paying subscriber num-bers increased by 480,000 to 8.96m, helping lift turnover by 47 per cent to £356.9m (£241.4m) for the six months to December. Programming costs rose sharply from £102m to £147.7m as itsought to maintain

subscriber growth. Mr Sam Chisholm, chief executive and managing director, said the company's "financial and programming strengths pro-vide a platform for continued growth", with operating profits running at more

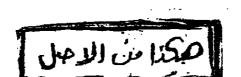
than £5m per week.

Total revenues improved by 4.5 per cent. to A\$6.09bn. Net abnormal items amounted to A\$148m, against A\$144m, leaving the bottom line ahead at A\$821m (A\$769m).

RESULTS											
	Termon	Nor (SIII)		r-tex. R. (Cas)	B	5 (p4)	Cumpt payment (p)	Date of payment	- Dhvidends Corresponding dividend	Total for	Total last year
Betacom 6 faths to Dec 31	8.36	(18.8)	0.218	(0.103)	0.31	(0.15)	-				
Brests Dalphile	28.7	(26.2)	4.03	(3.19)	14,1	(13.7)	4	Apr 6	_	-	•
BSkyB 6 mths to Dec 31	356.9	(241.4)	55	(37.8)	3.3	(2.8)	-	.4.	-	9	•
Bryant 6 mins to Nov 30	244.5	(178.2)	21.4	(14.6)	5.2	(3.6)	1,45	Acr 26	1.4	-	-
Clamp 6 mits to Dec 31	2,852	(2,803)	1,097	(996)	24,3	(23.4)	10	Apr 10	107	-	27
Loades Yr to Sept 30	13.8	(123)	0.342	(1.38L)	4.2	(63.53L)	-		-	-	Zf
News Infl 6 miles to Dec 31	398.1	(344.6)	561.9失	(126.7)	39.17	(9.32)	1.62	Apr 28	0.72	•	
Remoder's (Resy)	3.58	(3.29)	0.951	(0.815	8.2	(7.2 \	3.5	Apr 7	3.5		1,44
Shared 15 mins to Oct 31	30.4	(20")	3.51	(2.44).	16.4	(11.3)	42	Apr 7	3-3 3-5	4.5	4.5
There EM	3,406	(3,311)	343.7♥	(246.9 4)	47.3	(35.3)	•		20	7.2	5.3
Waste Management Yr to Dec 31	1,116	(941.4)	165.2	(150.9)	27.8	(26.5)	-			•	34
Investment Trusts	EG	/ (a)		estable gr (Carj		(a)	Current (Alyment (p)	Date of peganent	Gorresponding Christensi	Tipbal for Year	Total fast year
Angerylaid	90.31	(90.28¥)	0.94	(-)	1.29	(-)	0.8	Mar 7			
Flering C'house Yr to Dec 31	208.40	(238.9)	3,61	(3 <u>21</u>)	8.54	(B.53°)	1.924			-	1.2
Figuring Enterprise 6 mits to Dec 31	222.5	(232.9)	0.89	(1.22)	2.22	(3.05)	1.45	•	1.25	5.67	5
Hong Kong	53.3	(109.3)	0.16	(0.78)	0.81	(0.89)	9.75	Apr 5	1.4	-	4.8
		((41.6)		1	4.73	Mar 23	0.75	-	1.85

Unidends shown not. Figures in brackets are for corresponding period. You increased capital. \$USM stock. \$46 May 31. \$Anter \$403.4m profit from disposal of part of BSky6 stake.

Whiter exceptional credit. \$After exceptional charge. "Year to July 31. \$4th quarterly payment.





WELLCOME PRELIMINARY RESUL

for the financial period ended 31st December 1994 (unaudited)

-	16 months December 1994	12 months December 1994	12 months December 1993	12 months December Change
Sales	£2,962m	£2,276m	£2,052m	up 13%
Zovirax sales	£1,109m	£858m	£742m	up 16%
Retrovir sales	£268m	£206m	£227m	down 7%
Research and Development	£454m	£346m	£336m	up 5%
Non-operating exceptional items	(£58m)	(£58m)	£I,7m	
Pre-tax profit (excluding, exceptional items)	£939m	£738m	£624m	up 19%
Earnings per share (excluding exceptional items)	66.3p	52.lp	44.4p	up 18%
Final proposed dividend per share	16.0p			
Total dividend per share	30.4p			
Net cash	•	£781m	£618m	up £163m

Sales since January 1994 include Wellcome's share of the sales of Warner Wellcome Consumer Healthcare. All sales and profit percentage changes are at constant exchange rates.

HIGHLIGHTS

- Sales advance an underlying 13%
- Pre-tax profits up 19%
- Operating margin for year at record 31.5%
- Zovirax prescription sales up 16% to £858m
- Launch of follow up compound Valtrex
- R&D successes in antiviral, CNS and oncology areas
- EPS 52.1p (up 18%)
- Final dividend of 16p per share

Mr John Robb, Chairman and Chief Executive, said:

"These record-breaking results for 1994 show in very clear terms the strength of Wellcome's business and prospects. They demonstrate the success of the strategy which has been implemented over the past four years. Furthermore, they reinforce the Board's conviction that our current strategy is in the best interests of all our shareholders."

Wellcome plc, Unicorn House, P.O. Box 129, 160 Euston Road, London NW1 2BP

The financial information set out above does not constitute statutory accounts within Section 240 of the Companies Act 1985. The Company's auditors have made an unqualified report under Section 235 of that Act in respect of the financial period ended 31st August 1993 and such accounts have been delivered to the Registrar of Companies; statutory accounts for the financial period ended 31st December 1994 have not yet been finalised.

plans UK bran ing to cut costs

nd BCI in Sime



ALPHA Airports Group PLC

Flotation Public Offer and Placing of 113,087,500 Ordinary Shares at 140p each

Financial Adviser and Underwriter **UBS Limited**

October 1994

න BOOKER Booker ple

Cash Placing of 10.5 million Ordinary Shares at 404p each

> Joint Broker UBS Limited

> > March 1994



Capital Shopping Centres PLC

Initial Public Offering of 91,000,000 Ordinary Shares at 230p each

> Joint Lead Manager **UBS** Limited



Limited

US\$100 million Global Depositary Receipts

Lead Manager

UBS Limited



CIRS.p.A.

Lire 591 billion Rights Issue of duc 1999

Joint Global Co-Ordinator **UBS** Limited

May 1994

May 1994

CLS Holdings pk

CLS Holdings plc

Floration Issue of 45,045,045 Ordinary Shares at 111p each

Joint Adviser and Sole Broker **UBS** Limited

May 1994

DCC plc DCC plc

Introduction to the London Stock Exchange and Placing of 3,297,320 Ordinary Shares at IR250p each Joint Underwriter and Broker

UBS Limited

November 1994

EAC **EVC International NV**

Initial Public Offering of 10,000,000 Ordinary Shares at NLG 77 each

Joint Global Co-Ordinator **UBS** Limited

July 1994

Formosa Chemicals & Fibre Corporation and Nan Ya Plastics Corporation

> US\$600 million 14% Bonds due 2001

Lead Manager **UBS** Limited

November 1994

FOŘTE Forte Plc

£177 million Vendor Placing of 78,000,000 new Ordinary Shares at 227p

Financial Adviser and Underwriter **UBS** Limited

March 1994



Kinki Nippon Railway Co., Ltd.

SFr 300 million 2% Notes with Warrants due 2001

Joint Lead Manager Union Bank of Switzerland



July 1994

Liberty Life Association of **Africa Limited**

\$320 million 64% Convertible Bonds due 2004

> Joint Lead Manager **UBS** Limited

RENAULT

International Offering of 24,784,383 Ordinary Shares at FFr 176 each

> Joint Lead Manager UBS France S.A.



Co., Ltd.

SFr 70 million 0.25% Convertible Bonds due 2000

Lesd Manager Union Bank of Switzerland



April 1994

Tele Danmark A/S

Initial Public Offering of 63,229,770 B Shares at DKr 310 each

European Lead Manager **UBS** Limited

April 1994

PELICAN

The Pelican Group PLC

Rights Issue of 25,246,519 Ordinary Shares at 80p each

Adviser and Joint Broker **UBS** Limited

TransAtlantic

TransAtlantic Holdings PLC £250 million 51.96 Convertible Bonds

> Lead Manager **UBS** Limited

due 2009

February 1994

Tring International Group PLC

Placing of 21,186,440 Ordinary Shares at 118p each

> Adviser and Broker **UBS** Limited

UniChem PLC

Rights issue of 24,430,796 Ordinary Shares at 245p each

Joint Underwriter and Broker **UBS** Limited

February 1904

MUNITED CARRIERS GROUP

United Carriers Group PLC

Flotation Placing of 15,050,014 **Ordinary Shares** at 153p each

> Sole Broker **UBS** Limited

> > June 1994



Flotation Placing of 17,878,864

Ordinary Shares at 108p each Adviser and Broker

UBS Limited

May 1994

Vymura PLC

Vymura plc

Flotation Placing of 16,046,468 Ordinary Shares at 150p each

Sole Broker **UBS** Limited

April 1994

winterthur

Winterthur Finance Led.

SFr 300 million 21/96 Bond with Warrants due 1999

Lead Manager Union Bank of Switzerland



UBS Limited is a member of the SFA, UBS Limited, 100 Liverpool Street, London EC2M 2RH.

In equity capital markets, you are in safe hands with UBS.



November 1994

GUINNESS PLC Guinness PLC

Block trade of 72,000,000 Ordinary Shares at 457p each

> Lead Manager **UBS** Limited

> > September 1994

狉

Intershop Holding AG

SFr 101.31 million 35% Bonds with Warrants due 2000 by way of Rights

Lead Manager Union Bank of Switzerland May 1994

Norcor Holdings PLC

Norcor Holdings PLC Flotation Placing of 14,166,667

Ordinary Shares at 120p each Adviser and Broker

UBS Limited

April 1994

<u>Indofood</u> P.T. Indofood Sukses Makenur

> US\$500 million Exchangeable Bonds due 1997

> > Lead Manager **UBS** Limited

Südelektra Südelektra Holding AG

> Rights issue of 150,000 Bearer Shares at SFr 1,000 each

Lead Manager Union Bank of Switzerland

Sulzer AG SFr 116 million 2% Convertible Bonds

SULZER

Lead Manager Union Bank of Switzerland

due 1999

June 1994 **THK**

THK, Co., Ltd.

SFr 100 million 24% Convertible Notes due 1999

Lead Manager Union Bank of Switzerland

All these transactions appear as a matter of record only.

± 12 4

COMMODITIES AND AGRICULTURE

Late selling by US funds hits metals

By Kenneth Gooding

A wave of late selling by US investment funds sent aluminium and copper prices plunging again last night. The sudden and hectic selling came after a day when for most of the time it seemed that base metals markets had returned to stability after the big price falls on Monday.

"There has been a tremen-dous change in sentiment," said Mr Ted Arnold, metals specialist at the Merrill Lynch financial services group. "I think the bear market is here. There might be some good price rallies left in metals markets, but they will be seen as

The price of aluminium for delivery in three months fell to US\$1,980 a tonne at one stage on the London Metal Exchange esterday, a drop of 5 per cent from Monday's close, before buying emerged to take it back by the close to \$2,036.50, down

Copper was hit by heavy selling on the New York Commodity Exchange but it still managed to regain some of the ground lost during the metal markets' "Black Monday."

Three-month copper closed on the LME up \$24 a tonne at

"Bulls" among metals anslysts suggested that, while LME markets would be very volatile until a much needed correction to metals prices had run its course, the fundamental outlook remained positive: another healthy fall in LME stock levels was announced yesterday and substantial premiums were being paid for physical metal, showing there

was no lack of demand. However, Mr Arnold said that he now felt strongly that copper would go no higher because consumption had fallen more than expected in China and south east Asia. "The copper market will move into balance - after a supply deficit last year of 350,000 tonnes - given the fast deterioration in the consumption pic-

Supply squeeze puts up pepper prices

International black pepper prices are likely to rise this year as bad weather and diseases squeeze supply in major producing countries, according to an industry official, Reuters

reports from Jakarta. "The estimated production of 172,980 tonnes is unlikely to materialise because of weather conditions and diseases," said Mohamed Ismail, executive director of the Jakarta-based

COMMODITIES PRICES

Close Previous High/low AM Official

Kerb close Open int. Total daily t

er ZINC, spe

Loco Lon Mi

Gold Coins Krugemend Maple Leaf

\$ price 376-379 385,35-387,75 88-91

International Pepper Community (IPC).

"Last year's production could even be lower than 1993's 170.814 tonnes. Pepper prices. which peaked in 1987 at an average \$5,200 per tonne, were expected to average \$2,900 per tonne this year, up from an average \$2,094 in 1994 and \$1,388 in 1993, he said. "The market will be seeing

tight supply this year."

Dollar's problems 'good for gold'

By Commodities Staff

Instability in currency markets is likely to be an increasingly important influ-ence on the gold market, ana-

All three of the world's "reserve currencies" are potentially "in play," according to Ms Rhona O'Connell, precious metals analyst at stockbroker T Hoare & Co. "If any two were to be simulta-neously subject to market concern, then gold's role as the ultimate bedge should come into play," she adds in Hoare's

Ms O'Connell points to the US rescue package for Mexico as potentially putting pressure on the dollar. Meanwhile, the German currency might be affected by concern over \$40bn of Russian debt deno in Deutschmarks; and the Japanese yen might be pressured by after-effects of the Kobe earthquake.

Hambros Equities analysts Mr Graham Roberts and Mr John Barker, in the stockbro ker's International Gold the currency issue. "Increasing problems within currency markets and ever ballooning debt burdens might cause the threat of monetary inflation to be more influential [on the gold market! than fears about price inflation," they state. They suggest, however, that

gold is likely to continue to trade in the range between US\$370 and \$390 a troy ounce in the first half of 1995.

Ms O'Connell points out that physical demand for gold falls away in February because of Chinese New Year, the Ramadan fasting season and the end of the Indian wedding season. The run-up to the Chinese New Year and the Indian wedding season account for roughly 15 per cent of global annual

GRAINS AND OIL SEEDS

Oz ore getting an iron grip on China

Australian imports approach 60%, reports Nikki Tait from Sydney

hen the Koolyanob-bing iron ore mine in Western Australia per cent of its production.

Australia's ore exports to and provided some feel for China have more than doubled users requirements.

Selling closer links, however, finishes its first 12 months of production later this year, there will be no problems selling the output: Anshan Iron and Steel Complex (Angang). China's largest steelmaker, will take the lion's share.

Just over a year ago, the Chiese organisation signed a joint venture agreement with Perth-based Portman Mining to redevelop the mine, which was last worked in 1982. This gave Angang a 40 per cent interest in the project and rights to most of the mine's output. The venture was similar to

an earlier project involving the government-owned China Metallurgical Import and Export Corporation and CRA's Hamersley Iron: the focus was a new iron mine, further north in Western Australia's Pilbara region, which came on stream in 1989. The Chinese, again

Australian trade officials would like to believe that the

developments are harhingers of greater Chinese involvement in their country's iron ore industry. During the past 20 years, the commodity has become one of the biggest export earners. bringing in sales of A\$2.9bn in 1993. Australia and Brazil are the world's two leading iron

While Japan was the industry's biggest customer by a wide margin in the 1980s, China's huge demand for infrastructure looks likely to make it the all-important growth market for the remainder of

Industry forecasts suggest that Chinese steel production capacity could rise from just over 90m tonnes a year at present, to as much as 120m by the

estimated AS470m in 1993, and stand at A\$286m in the first nine months of 1994.

"It's taking a while to build up - but the big increase should come from 1996 onwards," says Mr Andrew Pearson, at the Department of Primary industries and Energy

s a result of the trend, efforts to woo further Chinese investment are being stepped up. Last month, for example, a Chinese delega-tion, led by Mr Liu Qi, China's minister for metallurgical industry, toured the ore-rich Pilbara and met mining company representatives.

Australian officials say they were heartened by the visitors' response not least because the delegation included mill man-

is not easy. To begin with, competition from Brazil, which has also seen inward investment by the Chinese, is consid-

Average mining cash costs there are lower than in Australia, but transport costs favour the latter country. Australia is holding its ground, however, and accounts for about 60 per cent of China's iron ore

Trade officials also admit that the Chinese have expressed reservations about the chemical makeup of some Australian ore - notably, where there is a high alumina

They also acknowledge that there is a demand for reciprocal investment or, at the very least, consultancy and training services. The Channar mine mally required Hamersley, as training opportunities. A further complicating factor is that steelmaking technology

is still evolving in China. According to a recent study published by the Australian government's East Asian Analytical Unit newer "electric arc" technology accounted for only 21 per cent of China's steel output in 1991, compared with a world share of 30 per

But this figure is expected to rise, and with it China's demand for either scrap, normally used in the electric arc process, or a substitute feed-

This may present some interesting investment opportunities in Australia. further investment ties in the iron ore industry between

Hope seen in Canada's new diamond fields

Russia's rough (uncut) gem diamond production is falling fast and by late next year its diamond stocks will be "relatively insignificant," suggests Mr Peter Miller, analyst at Yorkton Securi-

ties, the Canadian stockbrokers. Sometime in 1996, he says, demand for rough gem diamonds is likely to

overtake supply. So, far from representing a threat to the stability of the diamond market, output from new mines likely to be developed in Canada's Northwest Territories from 1997 onwards will instead go towards alleviating a serious shortage

of diamonds. Nevertheless, there will still be a shortfall to be met from US\$4bn of stocks built up by De Beers, the South African group that controls 80 per cent of world rough diamond trade through its London-based Central Selling Organ-

isation (CSO). Mr Miller, in a substantial Yorkton report on the diamond industry, says, wever, that towards the end of the

decade De Beers domination of gem diamond production "will no longer be as absolute as in the past and the CSO will

have to evolve to reflect this." The arrival of BHP, Australia's largest company, and RTZ, the world's biggest mining group, as diamond produc-ers, as well as potentially large production by smaller companies in countries as diverse as Brazil and Namibia, "suggest the death knell for yesterday's [CSO] policies of rigid inflexibility with producers has already

The CSO will not wither, "but most likely will evolve into some kind of producers' co-operative as opposed to today's marketing cartel," Mr Miller

Mr Miller "tentatively suggests" the Russian stockpile of gem and near gem diamonds in 1990 was 80m carats worth about US\$8bn. It has since been reduced to \$2.8bn, equivalent to only eight months of CSO sales. With Russia's annual gem diamond outout at only 2m to 2.2m carats, he suggests that within 18 months to two years the republic's stocks will be totally exhausted.

MEAT AND LIVESTOCK

173 127 90

139 95 86

\$16.51-6.58t \$16.98-7.00 \$17.10-7.12

\$164-166

\$166-168 \$153-154

(071) 359 8792

139.00c 42.25c 14.45m 258.50c

120,880

+0.01

naya, Russia's largest mine, and the Mir, once the richest, should be

exhausted in 1995. Economic chaos and capital shortages "strongly suggest" that replacements from the Yubileynaya (or Jubilee) mine or from the Arkhangel deposits "are still many years away."

On the other hand, a minimum of ten mines, "all relatively small by world standards," will be developed in the Northwest Territories in the next 20 or 30 years.

"Contrary to conventional wisdom," says Mr Miller, "there is strong evidence to suggest the world will need Canada's diamond production to help meet a potentially serious shortage pre-dicted for the years 2,000 and beyond."

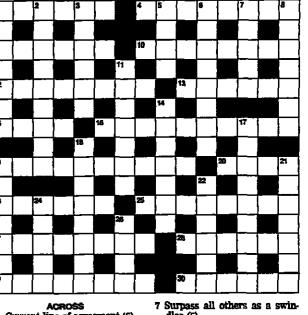
However, according to Mr Miller, the world's greatest diamond resource lies in the Atlantic Ocean off Africa. He predicts that by the year 2,000 De Beers' Namihian subsidiary will be producing more than 2m carats a year by sucking diamonds from the seabed, surpassing the onshore record it set at the begining



JOTTER PAD

CROSSWORD

No.8,681 Set by DANTE



A place (4-3)

Academic groups selected

14 Advise a local authority, say?

17 An expert swimmer in the

18 Instrument certainly shorter

by new masters? (7)

when broken (8)

ACROSS

Current line of agreement (6)

Leave no doubt it's a period on strike (5.3)

lacking power (6) Lively maiden at play (8) 13 No open events in these games? (6)
15 Author had retired before fifty (4)

19 Dishing out for a party (7)

16 The cricketer made another

21 Speech written on an enve-

mistake (6,4)
19 Community tax payment? (10) 20 Almost refuse the king (4) 23 Confine one after another, we

hear (6) 25 Called into action, despite being crazy (8) 27 Party favourite to gain power

out for new recruits (6) Excellent act worth an encore (4,4) 30 They cut some of the grass (6)

DOWN

1 With only a fagend Edward
was up against it (?)
2 Two attempts needed by a Government regulation (6)

Refreshing article newspaper (8)

lope (7)
22 Four slip out from the revelry, being institul (6) 24 Play time (5) 26 Round trip to the city (4) Solution 8.680 MAGAROON ALTRED O O B R I B E OFFSTAGE ESSAYS I F O A T R O ELLGRANT WEEVIL EMIGRARIT WERVILL
D N T 1 M N N A
ESCAPEMENT
P M F N T R W F
ROADRUNNER
O G U G V F G R
CANAPE HOMEMADE
U F T L D R T
RETAILL RECOURSE
E I D N R O D
DECENT STRALTHY

11-1

Park Town

BASE METALS Precious Metals continued LONDON METAL EXCHANGE M ALUMENTUM, 98.7 PURITY (\$ per torsie) 2000-1 2059/1950 2052.5-8 1975-80 233,135 58,539 E ALUMINIUM ALLOY & per torne Cices
Previous
High/low
AM Official
Kerb close
Open int.
Total daily turnover 1985-95 1995-2000 2015/1970 1950-5 1955-60 1982-7 2,635 35**9** ■ LEAD (\$ per tonne 603-4 576-7 610/600 801,5-2 800-1 556.5-7.5 583.5 583.5-4 40,**03**6 15,**2**54 MICKEL (\$ per tonne) Close
Previous
High/low
AM Official
Kerb close
Open int.
Total daily turnover 9620-30 8735-45 8780-90 8890-900 9200/8700 9110-20 IF CRUDE OIL NYMEX (42,000 US gats, \$/barrel) TEN (& per torre E CRUDE OF THE (\$/bernet) 1043-3,5 EL COPPER, grade A (\$ per toma 2838-9 2814-5 262/2822 2835-6 HEATING OIL NYMEX (42,000 US galle; o/US galls) 256,874 66,314 III LIME AM Official C/\$ rate: 1.5585 Space 1,5578 3 miles 1,5580 6 miles 1,5539 9 miles 1,5517 ME HIGH GRADE COPPER (COMEX) -2.40 132.10 130.10 1,948 -2.40 132.10 130.10 1,948 -2.25 131.70 128.20 25.111 -2.35 130.10 128.00 1,055 \$48 Day's Cheepe High Law lat 146.59 +0.25 146.59 145.55 135.87 146.25 -0.50 146.55 146.75 55.470 148.00 -0.50 149.25 148.75 5.758 148.25 16.83 148.25 -0.50 149.50 148.76 5.758 148.75 5.758 125,50 128,50 PRECIOUS METALS 1.548 1.539 1.540 1.560 1.560 1.580 -0.088 -0.077 5 price 574.50-575.00 376.30-375.70 375.20 374.50 1,480 12,442 1,525 10,827 1,585 11,485 1,580 8,753 1,369 1,383 375.40-375.80 374.40-374.80 374.80-875.20 720 NYMEX (42,000 US galls.; c/US galls.) p/troy 0 301.50 305.90 311.20 303.60 US cts eq. 470.00 476.40 484.20 501.95

+3/4 57/40 369/6 33,586 +2/2 364/4 361/2 13,941 +3/0 342/4 388/0 20,015 +3/0 346/0 343/4 1,353 +1/4 356/4 353/4 952 +3/0 - 18 68,883 -2/0 235/4 -2/0 243/0 -1/6 248/0 -1/2 252/4 -1/4 258/6 -1/2 263/0 233/4 94,586 241/2 70,422 246/4 66,437 251/2 10,752 255/4 53,924 262/2 8,157 102.75 -0.15 102.50 102.50 104.00 -0.15 104.00 104.00 97.15 98.05 +0.06 -551/4 548/2 58,267 10,072 550/4 557/6 31,869 3,177 567/8 555/0 80,337 3,421 570/2 558/0 2,557 115 580/2 578/0 18,574 633 -2/0 -1/5 -1/2 -0/6 -0/2 26.62 -0.06 26.84 26.57 35,123 6,939 25.67 - 26.00 25.78 25.92 2.92 25.37 53,123 25.79 25,381 25.40 18,721 25.15 4,546 24,95 4,576 24,72 5,999 180,678 1 -02 1554 1545 30,972 -0.1 1888 1579 23,738 +0.1 1827 151,8 18,658 - 164,7 163,7 5,928 +0.3 165,5 165,5 4,212 +0.1 1682 157,3 7,412

13,119 33.591 +4.201 39.550 39.250 2.968 2.244 39.025 +0.100 39.400 38.850 14,907 3,824 44.850 +0.025 45.225 44.750 7,127 910 43.850 +0.025 44.100 43.800 1,812 80 41.050 - 41.300 47.050 2,377 141 1308 20,074 7,900 1336 25,226 5,425 1361 10,348 837 1383 3,513 148 1401 4,534 122 1422 6,576 26 PORK BELLIES CIVE (40,000lbs; cents/lbsi E COCOA (ICCO) (SDR's/tonne) 42,200 +0.325 42,400 41,800 42,175 +0.125 42,650 42,050 43,025 +0.025 43,450 42,900 43,475 -0.525 44,200 43,250 2740 2695 9,355 867 2670 2636 9,170 1,460 2646 2610 3,484 342 2636 2615 3,289 645 2635 2630 819 12 2704 2847 2608 2618 2614 2608 9,170 3,484 3,299 819 93 LONDON TRADED OPTIONS E ALLINANILM E COFFEE 'C' CSCE (37,500ths; cents/ths) 154.00 +0.10 155.65 153.60 13,257 4,845 155.95 +0.25 157.50 155.40 11,233 2,652 167.00 -0.20 158.05 156.60 5,510 803 157.55 -0.95 158.90 157.50 3,317 157.55 -1.00 158.00 158.00 315 4 156.25 -1.00 158.00 158.00 315 4 E COPPER E COFFEE (ICO) (US cents/pound) +0.94 +0.01 -1.90 920 M WHITE SUGAR LCE (9/tonne) 391.7 +22 383.0 390.0 8,570 2,813 384.3 +1.3 384.5 383.0 7,977 1,439 372.3 +1.0 374.0 372.0 8,511 264 345.5 +0.5 347.7 345.3 2,281 73 342.5 +0.5 343.5 343.5 143 1 338.6 +0.5 - 572 - 572 13.86 +0.12 13.96 13.81 48,45820,277 13.80 +0.10 13.85 13.73 48,06716,806 13.05 +0.18 13.12 13.00 33,137 3,754 III OIL PRODUCTS NWEprompt delivery CIF (forme) +0,11 12.70 12.58 34,029 3,525 +0,08 12.38 12.26 8,551 820 +0,08 12.27 12.27 2,358 70 Cans Oil Heavy Fuel Oil Naphtha Jet fuel 89.45 -2.47 92.05 90.15 23,466 8,769 89.29 -1.16 90.00 89.02 17,458 3,650 87.87 -0.23 89.99 87.70 13,560 1,956 78.35 -0.75 79.00 78.25 4,966 228 72.92 -0.51 74.40 73.85 18,510 251 75.00 -0.39 76.50 75.00 1,724 5 Gold (per troy oz) Silver (per troy oz) Pistinum (per troy oz.) Paladium (per troy oz.) 78.211 13,493 Cooper (US prod.) IN ORANGE JUICE NYCE (15,000bs; cents/lbs) 105.20 -0.30 105.50 108.60 13,808 3,224 106.35 -0.15 109.50 107.80 4,559 1,188 113.15 -0.35 112.00 112.00 1,266 610 116.50 - 116.50 115.80 2,538 348 Cattle (tive weight): Sheep (tive weight): Pigs (tive weight) **NOLUME DATA** Open interest and Volume data shown to contracts traded on COMEX, NYMEX, CST, NYCE, CME, CSCE and IPE Crude Oil are one REJIERS (Bess: 18/9/31=100) res (Base: 1967=100)

120.120 87.32p Lon. day suger (raw Lon. day suger (who Tate & Lyle export C332.00 Berley (Eng. feed) Maiza (US NoS Yel 2110.0 Wheat (US Dark North 122.0p 122.5p 457.0m \$837.5y \$642.5t Coconst Oil Philis \$403.0

INTERNATIONAL CAPITAL MARKETS

Europe strengthens as US inflation concerns fade

By Graham Bowley in London and Lisa Branston in New York

European government bonds rose yesterday as optimism about a slowdown in US economic growth spread across all

This continued the improving trend of recent days after US Treasuries surged on Friday on the back of weak employment data and comments last week by the Federal Reserve that there are signs of slowing growth in the US econ-

The recent fall in commodity Prices also eased fears of rising inflationary pressures, dealers

Last week's rise in US and UK short-term interest rates boosted confidence that the authorities are prepared to raise interest rates to pre-empt infiationary pressures. "This optimism is well-founded, with the US economy slowing without any pick-up in inflation, to a peak in US interest rates," said Mr Julian Jessop, international economist at HSBC in

■ German government bonds strengthened, with bund futures breaching key technical resistance levels to reach a new high for the year. The rises came in spite of

some nervousness about the current German wage negotia-

GOVERNMENT BONDS

There is continued general bullishness in the market in the wake of the US rally and on hopes that the US economy is slowing enough to stop the Fed tightening monetary pol-icy further, said Mr Karl Haeling, at Deutsche Bank in

Frankfurt. The March bund future on Liffe broke through the key 90.80 level to end up 0.40 at

90.95 in late trading. "There is technical strength as well as fundamental optimism," said Mr Jessop.

■ The French bond market moved higher in line with

A firmer French franc and short-covering on the three-month Pibor futures contract boosted the short end of the yield curve, said Mr Dominique Barbet, bond strategist at Paribas in Paris.

He said there were buyers of bonds at all maturities, although the short end was particularly well supported.
In the cash market, the yield spread over bunds narrowed to about 57 hasis points.

On Matif, futures moved through a key resistance level at 112.30, to settle at 112.34, up

UK government bonds rose. boosted by industrial production data and a better perfor-mance by the pound on foreign exchanges as fears about the bunds narrowing to 128 basis UK government's political points from 135 basis points. weakness receded

Production data showed growth in the UK economy slowing to a more sustainable

Mr Simon Briscoe, at S. G. Warburg, said investors, who stayed out of the market at the Bank of England's last auction at the prospect of further falls in prices, are now likely "to be squeezed into the market" as prices rise.

He said this process began yesterday with buyers across most maturities. The Bank of England announced a total of £700m of tan issues but this had little impact on prices.

Dealers are waiting for the announcement, expected Friday, of details of the Bank's next auction, which analysts expect to be of either five or

10-year conventional stock. In late trading, the long gilt future on Liffe was up % at the effects of recent tighten-102 , with the spread over ings before implementing

■ Positive comments from a member of the Federal Reserve's Board of Governors and hopes that price pressures at low levels in the production cycle might not translate into inflation sent US Treasury prices firmly higher yesterday

morning.
At midday, the benchmark 30-year Treasury was up & at 981, to yield 7.619 per cent. At the short end of the market, the two-year note rose is to 100%, yielding 7.154 per cent.

Bond market investors sent Treasuries up across the spec-trum in early morning trading after Mr John LaWare, a member of the Federal Reserve's Board of Governors, indicated late on Monday that he believed inflationary pressures

were under control Mr LaWare told reporters the central bank might wait to see

Later in the morning, bonds received another boost from higher than expected gains on non-farm productivity of 1.8

The figure is important to bond traders because wages remained low although 1994 iob growth was the strongest

Also helping the market was optimism about the beginning The Treasury was to sell \$40bn of new securities on the market this week, beginning with the afternoon auction of \$17bm

in three-year notes.

per cent for the fourth quarter. According to the Labor Department, US productivity increased 2.2 per cent last year versus 1.5 per cent in 1993, which helped keep the increase in unit labour cost down to 0.9 per cent last year, the smallest increase in more than 30 years.

of the Treasury department's quarterly refunding operations.

It was to sell \$12bn in 10-year notes today and \$11hn in long bonds tomorrow.

Glaxo announces £8.1bn loan details

By Martin Brice

Glaxo has revealed details of the biggest loan in UK corporate history. The company raised £8.1bn (\$12.5bn) to fund its bid for Wellcome, a fellow UK drugs group.

Ten banks are being paid 20 pasis points over the London interbank offered rate for the three-year multi-currency revolving credit facility. They are also receiving a commitment fee of 10 basis points over Libor on the

unused part of the facility. Some bankers not connected with the deal were yesterday suggesting that Glaxo may have paid a small premium for the funds. A price of 15 basis points over Libor was paid in November by East Midlands Electricity for a five-year loan.

Bankers also believe Glazo has paid banks in the Wellcome loan an arrangement fee Details of the loan were pub-

lished yesterday by Glaxo in

its offer document. The company said it opened talks late last year with banks about

funding a bid. it opted for a series of one-off bilateral agreements with banks. Bankers lending to Glaxo knew only that a large acquisition was likely.

The facilities were taken up a week before the bid, and bankers were not told the identity of the target until the Fri-day before the Monday on which the bid was announced. Glaxo has agreed with the banks that it will not make another acquisition of £400m or more during the life of the loan. It has also agreed that earnings before interest and tax will be at least three times

the interest paid on the loan. Banks underwriting £900m in the deal are: Citibank, Crédit Suisse, Dai-Ichi Kangyo, Deut-sche, J.P. Morgan, National Westminster, SBC and UBS. Midland and HSBC have also agreed to underwrite a total of

Portugal to set regular auctions

Portugal will adopt a regular calendar for sales of fixed-rate treasury bonds, Reuter reports

from Lisbon. The government will offer Esc60bn of bonds each month in separate auctions of three, five and 10-year paper, the finance ministry said.

The treasury would auction Esc20hn of 10-year honds on the first Thursday of each month, Esc20bn of three-year bonds on the second Thursday and Esc20bn of five-year bonds

on the fourth. The Portuguese government has until now held Thursday bond auctions on an ad hoc basis, seldom announcing new auctions more than a week in

EIB raises L600bn in four-year sector

Few ventured into the surobond market yesterday as investors and borrowers watched the US Treasury's quarterly refunding. The postponed five-year dol-

INTERNATIONAL

lar deal for Chugoku is expected soon. The IFC \$400m 10-year deal brought on Monday via BZW and SBC was said by other syndicates to have gone

The European Investment Bank brought a L600bm deal via joint bookrunners BCI,

Bank, Deutsche Bank said one reason for the deal's success may have been a change in market sentiment. A syndicate manager said: "Investors are recently, they have been looking to defend themselves. The destabilising factors have

has returned to the market." The EIB deal carried a coupon of 10.8 per cent with a four-year maturity, and strong demand was reported from Italy, Switzerland and the Benelux region, mostly coming from retail investors, with some institutional buying. IBJ brought its first dollar denominated equity warrant

CSFB, San Paolo and Deutsche looking for value. Until very gone. An element of confidence

NEW INTERNATIONAL BOND ISSUES US DOLLARS Down Mining(a)¢ 100 STALIAN LINE STANDARD Investment Bank 600bn BCI/CSFE/D'sohe/San Paolo QUILDERS Drescher International Finance +12(8)4%-00) ABN Armo/ Dreadner Bank BOURG FRANCS **AUSTRALIAN DOLLARS** 4.60# 88.10 Feb.1998 1,375

rant deal from a bank rather than a securities house when it handled the \$100m four-year offering from Down Mining, the Japanese metals group. Demand was said to be mostly institutional, from Europe,

Asia and the UK. Dresdner International Finance raised Fl 500m with a five-year deal handled by joint books Dresdner Bank and ABN

transaction, and the first war- Amro Hoare Govett. The fiveyear bonds carried a coupon of 7.25 per cent and were brought at a spread of 12 basis points over the comparable Dutch

> Demand came from retail investors in Switzerland and the Benelux region, said ABN Amro. The deal was triggered by the performance of the ABN Amro F1300m deal brought on January 9 at 18 basis points

FT-ACTUARIES FIXED INTEREST INDICES

119.34 140.55 156.83 180.60 137.30

Day's change %

+0.24 +0.61 +0.89 +0.71 +0.55

119.05 139.70 155.44 179.34 136.55

government bond.

1 Up to 5 years (23) 2 5-15 years (22)

7 Over 5 years (11) 8 All stocks (13)

over the comparable government bond.

AIDC brought A\$100m of three-year bonds carrying a coupon of 4.5 per cent via Nomura.

The deeply-discounted bonds carried a yield to maturity of 9.29 per cent. Legrand, the French electrical group, raised \$400m with a 30-year Yankee via J. P. Morgan.

1.40 5 yrs 1.59 15 yrs 2.96 20 yrs 0.00 tred.† 1.74

Government bond issuance seen rising

6.07 6.78 6.78

Feb 7 Feb 6 Yr. ag

8.48 8.49 8.49

5.82 6.66 6.73

Feb 7 Feb 6 Yr. ago

By Richard Lapper

Gross issuance of global government bonds is expected to rise significantly in 1995, according to J.P. Morgan. The bank forecasts that the gross amount of bonds by

OECD countries will rise to \$1,475bn in 1995 from \$1,344bn in 1994. Japanese issuance is expected to increase by more than 34 per cent to \$406.4bn, with net issuance (gross new issuance minus redemptions) rising to \$171.7bn, partly because of government funding for reconstruction following

last month's earthquake.

ance will rise in Germany, the Netherlands, Denmark, Sweden, Italy and Australia but fall in the US, Belgium, Spain,

France, Canada and the UK. Net issuance from the US is expected to total \$130bn; Italy \$60.7bn; Germany \$56.6bn; France \$46.9bn; UK \$87bn; the Netherlands \$23.9bn; Sweden \$17.4bn; Belgium \$14.2bn; Can-ada \$12.1bn; Australia \$8.9bn; Spain \$7.9bn; and Denmark supply is relatively high in Italy (14.6 per cent), Denmark (13.4 per cent) and Sweden (13.9 per cent).

8.75 8.78 8.69

ENCHMA														
	IRIK GO	VERNME Red	INT BO	NDS Day's	Week	: Month	Striker	-UTURES		(LIFFE) DM2	30,030 pol	res of 100	% - РИТВ ~	
	Cour		Price		riekt ago	200 200	Price	Mar	Apr	May		ler Ap	or May	Jun
mirale.	9.00		92.8100		1.19 10.42	9.99	9050	0.58	0.59		93 02			1.09
ustrie. Higium	7.50 7.70		99.1300 97.0100	+0.320	7.63 7.69 3.20 8.34	7,88 8.32	9100 9150	0.30 0.13	0.39 0.25		172 0.4 154 0.7			1.38 1.70
inade."	9.00	00 12/04	100.3500	+0.200	1.94 9.30	8.99 8.94				46. Previous o			•	
enmark ance 81	7.U TAN B.O		85.3700 101.0900		3.81 8.97 7.59 7.60	8.94 7.27	Italy							
	OAT 7.5		96.8200		7.98 8.11	8.11		MAL ITAL IA	AN GÓVT.	BOND (BT	э ала	ER		
emany Bund tand	7.8 6.2		100.0300 83.9500		7,37 7,44 .79+ 8,79	7.50 8.78		∐ra 200m			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			
y	8.50		96.5700	+0.100 1	1.80 12.01	11.89 3.88		Open	Sett price	Change	High	Low	Est. voi	Open k
pen No: No:			103.0570 96.5210		1.89 \$.77 1.86 4.68	3.86 4.54	Mar	100.45	100.69	+0.27	100.79	100,37	30429	56044
therlands	7.25		98.0900		7.53 7.59	7.65	Jun	99.80	99.78	+0.28	99.85	99.68	1218	686
rtugai xain	8.87 10.00		84.0000 91,1600		1.85 11.84 1.45 11.72	11.82 11.89		GOVI. B		FUTURES	OPTIONS	(LIFFE) Lin		118 OF 100
recien	6.00	02/05	71.9400	+0.620 10	171 11.01	10.75	Strike Price		Mer CA			Mar	- PUTS -	Jun
(Gits	6.00 8.50		91-05 100-05		3.41 8.50 3.48 8.57	8.46 8.46	10050		0.66	1.50		0.47		2.22
	9.00		104-09		.46 8.55	8.45	10100		0.41	1.28		0.72		2.50
Treesury *	7.87 7.50		102-17 98-17		7,50 7,64 7,82 7,74	7.74 7.78	10150 Fet vol. 100		0.24 1 Para 2486	1,08 Previous da		1.05 Colle 0 Per	ne D	2.80
U (French Gov			85.1200		3.88 8.54	8.50		.,			, o op			
ncion ciceing, 14e Brous (including s			د مادست ادن		ids: Local mar N	icet scandland.	Spain							
oes: US, UK in 3				, <u></u>	Source: MMS	interretional	■ NOTIO	HAL SPAN	SH BOND	FUTURES	(METT)			
								Open	Sett price	_	High	Low	Est vol	Open b
							Mar	85.33	85.69	+0.32	85.93	85.32	61,859	45,98
S INTERI	PST DA	TES					Jun LUK	85.40	84.18	+0.85	85,40	85.4D	239	821
	LUI RA			NOL	a Water			NAL LIK C	LT Filme	ES (LIFFE)*	250 000 99	ands of 10°	196	
		One month	ITERSUTY	Bills and Bo 5.13 Two		7.17		Open			High	Low	Est vol	Open I
ne cate	9	Two month		5.60 Targe	7007	7.44	Mar	Open 101-26	Sett price 102-18	+0-23	102-24	101-25	251. VOI 25195	Open :
tar law min Jands	S	These manth		6.37 10-ye		7.44 7.51 7.82	JUN	102-08	102-18	+0-23	102-24	101-25 102-06	296	2385
Janda at Intervent		One year		6.79 30-je	.	7.62	III LONG	MLT FUTU	RES OPTI	ONS (LIFFE	250,000 8	4ths of 100	0%	
							Strike			ша			PUTS ~	
							Price 102		Mar 3-58	Jun 2-09		Mar		Jun 1-23
					-		102 103)-86)-23	2-09 1-38		0-22 0-51		1-23 1-62
							104	Ċ	3-06	1-10		1-34		2-24
OND FUT			LONe				Est vol. tot	i, Calle 8518	5 Pulse 7536.	Previous day	/a open int.,	Cube 0 Put	a 0	
·········							1							
f ance Notional Fi	RIENCH BO	ND FUTURE	S (MATIF)			•	Ecu B	OND FUTU	RIES (MATI	F)				
		price Cheno		Low	Est. vol.	Open int.		Open	Sett price	-	High	LOW	Est. vol.	Open k
		2.34 +0.36	_		175.952	140.140	Mar	81.86	82.20	+0.30	82.30	81.86	2,696	7,380
n 111	1.00 111	.46 +0.3E	111.52	111.00	427	6,782	Jun	81.68	81.94	+0.30	81.82	81.58	3	.,
-		1.74 +0.34		110,30	254	1,521								
LONG TERM	FRENCH (NS (MATTE)				US				•			
rice Ca	Mar	Jun	Sep	Mar	- PUTS Jun	Seo	US TRE			RES (CBT)	_			
	3.30	-	-	0.02	0.58			Open	Letest	Change	High	Low	Est, vol.	
		_		0.05	0.80 1.15	1.55	Mar Jun	102-11 102-00	102-20 102-04	+0-07 +0-07	102-23 102-05	102-08 101-23	198,725 6,815	364,18 36,22
	235 145	100		0.13		2.02		101-23	101-23		101-23	101-23	2,435	6,084
1	1.45 0.68	1.60 1.06	1.75	0.39	-	-	Sep	101-23						
1 2 3	1.45 0.68 0.22	1.06 0.64	-	0.39 0.90	-	-	_	(VI-ES						
1 2 3	1.45 0.68 0.22	1.06 0.64	-	0.39 0.90	-	- 175,495.	Japan		7806-			D Gm	-	
0 1 2 3 2 vol. total, Cult errnstity	1.45 0.68 0.22	1.06 0.64	-	0.39 0.90	-	- - 1 75,495 .	Japan a Notice			PANESE G	OVT. BON	ID FUTURI	-	
1 2 3 L vol. total, Call	1.45 0.68 0.22 33,279 Pu	1.06 0.64 to 37,379 . Pres	- lous day's op	0.39 0.90 em int., Calla	- 161,331 Puta		Japan NOTICI (LIFFE)	NAL LONG Y100m 100 Open			High	Low	Est. vol	-
1 2 3 3 4 vol. spini, Calle OFTERSHRY NOTIONAL G	1.45 0.68 0.22 33,279 Pu SERIMAN EX	1.06 0.64 to 37,379 . Pres SNE) FUTURE price Chang	ie Hilida 15 (FEAS), C Homa qual _e ch	0.39 0.90 em int., Calla	- 161,331 Pus 00ths of 100		Japan Mar	VIOL LONG VIOL 100 Open 108.85	Ottos of 100	7%	High 106.70	Low 108.65	Est. vol 2682	. 0
1 2 3 3 4 vol. total, Calle OTTINATAY NOTIONAL G	1.45 0.68 0.22 a 33,279 Por MERIMAN EX pen Sett.	1.06 0.64 to 37,379 . Pres SHED FUTURE price Chang 87 +0.32	- 	0.39 0.90 em int. Calla MA250,000 1 Low 80.49	- 161,331 Puts 000ths of 100 Est. vol. 163160	0% Open int. 211887	(TELE) We.	VAL LONG Y100m 100 Open 108.65 107.95	Close	7%	High 106.70 107.95	Low 108.65 107.92	Est. vol 2682 304	-
1 2 3 3 4 vol. sobil, Calle OTTIONAL G OC	1.45 0.68 0.22 33,279 Pu SERIMAN EX	1.06 0.64 to 37,579 . Pres SND FUTURE price Chang 87 +0.35	dous day's co de (UPPE)* D de High 2 81.02	0.39 0.90 Per Int., Calla M/250,000 1 Low	- 161,331 Puts 00ths of 100 Est. vol	Open int.	(TELE) We.	VAL LONG Y100m 100 Open 108.65 107.95	Close	Change :	High 106.70 107.95	Low 108.65 107.92	Est. vol 2682 304	0
1 2 2 3 3 4 VOL. TOTAL, CARRY NOTTONAL G	1.45 0.88 0.22 a 33,279 Pu MERIMAN EX pen Sett 1.52 90.	1.08 0.64 to 37,579 . Pres SHED FUTURE price Chang 87 +0.35 34 +0.31	dous day's co de (UPPE)* D de High 2 81.02	0.39 0.90 em int. Calla MA250,000 1 Low 80.49	- 161,331 Puts 000ths of 100 Est. vol. 163160	0% Open int. 211887	(TELE) We.	VAL LONG Y100m 100 Open 108.65 107.95	Close	Change :	High 106.70 107.95	Low 108.65 107.92	Est. vol 2682 304	. 0
1 2 2 3 3 4 VOL. TOTAL, CARRY NOTTONAL G	1.45 0.68 0.22 a 33,270 Pu BERMAN BR pen Sett 1.52 S0. 1.02 90.	1.08 0.64 b 37.579 . Pres JARD FLITURE price Chang 87 +0.35 34 +0.31	2 81.02 90.43	0.39 0.90 own int., Calls 0M250,000 1 Low 90.49 90.02	- 161,331 Puts 000ths of 100 Est. vol. 163160	Open Int. 211887 8021	Japan II NOTION (LIFTE) Mar Jun	MAL LONG Y100m 100 Open 108.65 107.95 see also trad	Close Close ed on APT.	Change :	High 106.70 107.95	Low 108.65 107.92 for previous	Est. vol 2682 304	0
OF THE STAY NOTIONAL GO N 90 N 90 N 90	1.45 0.68 0.22 a 33,270 Pu BERMAN BR pen Sett 1.52 S0. 1.02 90.	1.08 0.64 to 37,579 . Pres SHED FUTURE price Chang 87 +0.35 34 +0.31	8 (UFFE)* C 9 High 9 90,43	0.39 0.90 pen int., Calla 0M250,000 t Low 80.48 90.02	181,331 Puts 000ths of 100 Est. vol. 183150 812	Open Int. 211887 8021	(TELE) We.	NAL LONG Y100m 100 Open 108.65 107.95 ne also trad	Close Close ad on APT.	Change :	High 108.70 107.95 set figs. see	Low 108.65 107.92 for previous	Est. vol 2682 304	0 0
T 2 2 3 L vol. total, Culti- OPTENBERRY NOTIONAL Q OPTENBERRY OPTENBERRY OPTENBERRY OPTENBERRY OPTENBERRY OPTENBERRY OPTENBERRY OPTENBERRY OPTENBERRY	1.45 0.68 0.22 0.22 0.3279 Pu MERIMAN BI Set: 52 90.02 90. DET C	1.08 0.64 b 37,379 . Pres SNED FUTURE price Change 87 +0.33 34 +0.31	88 (UFFE)* C 90 High 90.43 90.43	0.39 0.90 0.90 int., Calla 0M250,000 i Low 90.02		Open Int. 211897 8021 Hous Int.	Japan Norto (LIFFE) Mar Jun * UFFE tutu Rad Price S 6 8.58 105()	MAL LONG Y100m 100 Open 108.65 107.95 ne also trad	Closes ed on APT.	Change	High 108.70 107.95 set figs. are	Low 108.65 107.92 for previous	Est. voi 2822 304 1 day.	_ 1994/8
The state of the s	1.45 0.68 0.22 a 33,279 Pu MERMAN BI Set Seq. 0.02 90. DITIO:	1.08 0.64 0.54 0.57,370 - Prod IND FUTURE Price Change 87 +0.33 34 +0.31 1014 - Price E 8.11 997, 8.71 1014	88 (UFFE)* C 90 High 90.43 + er — Nigh 10314	0.39 0.90 0.90 lst. Calls 0M250,000 t Low 80.49 90.02	181,331 Puts 000ths of 100 Est. vol. 183750 812	Open Int. 211887 8021 Hotes ist	Japan Morto (UFFE) Mar Jun UFFE tutu Rad Price 2 8.58 105(4) 8.47 28(5)	MAL LONG Y100m 100 Open 108.86 107.95 es also trad	Close ed on APT.	Change - - All Open Inter	High 108.70 107.95 est figs. are Holms (4) 467.9, 2.	Low 108.65 107.92 for provious	Est. voi 2882 304 1 day.	_ 1994/8
The state of the s	1.45 0.68 0.22 a 33,279 Pu MERMAN BI Set Seq. 0.02 90. DITIO:	1.08 0.64 0.54 0.57,370 - Prod IND FUTURE Price Change 87 +0.33 34 +0.31 1014 - Price E 8.11 997, 8.71 1014	18 (LFFE) C 18 (LFFE) C 19 High 90.43 90.43	0.39 0.90 0.90 0.90 0.90 0.90 0.90 0.90	181,331 Puts 000ths of 100 Est. voi 183180 812 ension 94;pc 201 8 Flags 2004;1;	Open int. 211887 8021 Hotes int 04 8,97 7,81 8,48	Japan Norto (LIFFE) Mar Jun * UFFE tutu Rad Price S 6 8.58 105()	MAL LONG V100m 100 Open 108.65 107.95 net alto trad 41 1254 +13 1054 +13 1054 +13 1054 +13 1054 +13 1054 +13 1054 +13 1054	Close Close d on APT. 101E Ind. 101E Ind. 102E 2 102E 3	Change - All Open Inter se-Listed pt 95	High 108.70 107.95 and figs. are \$6 46, 187.9, 2, 185.9, 2,	Low 108.65 107.92 for previous	Est. voi 2882 304 1 day.	0 0
The Color of the C	1.45 0.68 0.22 a 33,279 Po EFFINAN BI SET Set 1.52 90. 02 6 PRICE Res Reset 1.12 1.13 1.13 1.13 1.13	1.08 0.64 to 37,379 . Prov 37,379 . Prov 37,379 . Prov 87 +0.35 34 +0.31 104 Rad Price 2 6.71 1074 6.81 1084 7.06 1084 7.06 1084 7.34 1084	38 (LFFE) C 18 (LFFE) C 19 High 190.43 1074 1079 1174 1174 1174 1174	0.39 0.90 0.90 int. Calls MA250,000 int. Calls MA250,000 int. Calls S0.42 90.02 MA25 Low 874. Then 1014. Calls 1014. Calls 1014. Calls	181,331 Puts 000ths of 100 Est. vol. 183760 812 estion 9/2pc 200 16-lpc 200411. 2pc 2005 9 1g pc 2005	Open int. 271887 8021 Hotes int. 04 8.97 7.61 8.48 8.94 6	Japan Mer Jun * UFFE tubu * UF	MAL LONG Y100m 100 Open 100.85 107.95 see also trade +41 1254 +42 1908 +43 1254 +43 1254 +43 1254 +43 1254	28 of 100 Closes	Change Change Al Open Inter Change Ch	High 108.70 107.95 107.95 108.80 109.	Low 108.65 107.65 for previous 11 (2) Print 2 Print 3.73 2.73 3.73 3.73 3.74 3.75 3.75 3.75 3.75 3.75 3.75 3.75 3.75	Est. voi 2882 304 1 day.	0 0
OF THE STATE OF TH	1.45 0.68 0.22 a 33,279 Po a 33,279 Po a 33,279 Po bernal Set 1.52 90. 6 PRICI Res Name 1.22 1.337 1.337 1.337 1.337 1.337	1.08 0.64 0.37,379 . Pres 1.08 0.64 0.37,379 . Pres 1.08 1.08 1.08 1.08 1.08 1.08 1.08 1.08	38 (LFFE) C 18 (LFFE) C 19 High 190.43 1074 1079 1174 1174 1174 1174	0.39 0.90 0.90 int. Calls MA250,000 int. Calls MA250,000 int. Calls S0.42 90.02 MA25 Low 874. Then 1014. Calls 1014. Calls 1014. Calls	181,331 Puts 000ths of 100 Est. vol. 183782 812 estion 94:per 20 87-per 2004;1,292 2005	Open int. 211887 8021 Hotes int 04 8,97 7,81 8,48	Japan NOTICE (LIFFE) Mer Jun * LIFFE http: Rad Price S (8.58 105)] 8.47 893, 8.45 108, 8.45 108, 8.45 108, 8.45 108, 8.45 49, 8.45 49, 8.45 49, 8.47 894, 8.48 47 894, 8.48 47 894, 8.48 47 894, 8.48 47 894, 8.48 47 894, 8.48 47 894, 8.48 47 894, 8.48 8	NAL LONG Y100m 100 Open 108.85 107.95 es also trad +8 105s +8	Offs of 100 Close	Change Change Al Open Intel Change Ch	High 108.70 107.95 and figs. are \$60as (67.9) 2 (78.3) 3 (78.6) 3 (78.6) 3	Low 108.65 107.92 for previous 10 20 PM 18 3.73 2.74 3.73 2.74 3.73 4.73 4.73 4.73 4.73 4.73 4.73 4	Est. voi 2882 304 1 day.	0 0
OF THE STATE OF TH	1.45 0.68 0.22 a 33,279 Po a 3	1.08 0.64 0.37,379 . Pres 0.37	38 (LFFE) C 18 (LFFE) C 19 High 190.43 1074 1079 1174 1174 1174 1174	0.39 0.90 0.90 int. Calls MA250,000 int. Calls MA250,000 int. Calls S0.42 90.02 MA25 Low 874. Then 1014. Calls 1014. Calls 1014. Calls	181,331 Puts 00ths of 100 Est. vol. 183160 812 estin 9½pc 20 8 5½pc 2004;1,2pc 2005 9 ½p te 2005 12²gc 2003-6 pc 2008;1 2002-8;1 11½gc 2003-6	Open int. 271887 8021 Hotes id 7,81 8,48 8,48 8,19 8,19 8,19 8,19 8,19	Japan Mer Jun * UFFE tubu * UFFE tubu * UFFE tubu * 283 8.45 1093 8.45 1093 8.45 1093 8.47 945utl 8.47 945utl 8.53 11683 8.53 11683	NAL LONG Y100m 100 Open 108.85 107.95 ne alto trad +8 1054 +8 1054 +8 1254 -8 11254 +8 11254 +8 11254 +8 11254 +8 11254 +8 11254 +8 11254	200 OF 100 Closes of 100 Closes of 100 APT. List 10712 Int. 1072	Change Change Al Open Inter Change Ch	High 108.70 107.95 ext figs. == (7.95, 2, 135.89 2, 178.9) (78.9 3, 178.9) 3, 178.93 3	Low 108.65 107.92 for previous 101 (2) Pri	Est. voi 2882 304 1 day.	0 0
OTTONAL G	1.45 0.68 0.22 0.22 0.22 0.22 0.23 0.27 0.29 0.02 0.02 0.02 0.02 0.03 0.02 0.03 0.03	1.08 0.64 0.54 0.57.379 . Press 37.379 . Press 10.37 . Press	38 (LFFE) C 18 (LFFE) C 19 High 190.43 1074 1079 1174 1174 1174 1174	0.39 0.90 0.90 int. Calls MA250,000 int. Calls MA250,000 int. Calls S0.42 90.02 MA25 Low 874. Then 1014. Calls 1014. Calls 1014. Calls	181,331 Puts 000ths of 100 Est. vol 183182 812 estion 9½pc 20 812 estion 9½pc 2001; 2920 2003-0 12²pc 2003-0	Open int. 211887 8021 Hotes id 04 8.97 7.61 10.29 8.18 8.32 7 10.09 10.09	Japan NOTICE (LIFFE) Mar Jun * LIFFE tutu * LIFFE tutu 8-58 105/j 8-47 28/j 8-51 122-j 8-51 12	MAL LONG Y100m 100 Open 100 108.65 107.95 est alto trad 48 1054 48 1054 48 1254 48 1254 48 1154 48 115	Office of 100 Closes of on APT. ad on APT. building limit and 562 2 2 11024 2 1124 2 1124 2 2 1124 2 1124 2 2 1124 2 2 1124 2 2 1124 2 2 1124 2 2 1124	Change Change Al Coun inter Self-inter Change Cha	High 108.70 107.95 107.95 108.80 107.91 107.91 107.92 107.93 107.	Low 108.65 107.92 for previous (1) (2) Held (2) Held (3) Held (3) Held (4) 1.84 1.95 1.95 1.95 1.95 1.95 1.95 1.95 1.95	Est. voi 2882 304 1 day.	0 0 1994/9 High
NOTIONAL GIVE 90.	1.45 0.68 0.22 0.22 0.22 0.22 0.22 0.22 0.02 0.0	1.08 0.64 0.37,379 . Pres 0.37	38 (LFFE) C 18 (LFFE) C 19 High 190.43 1074 1079 1174 1174 1174 1174	0.39 0.90 0.90 int. Calls MA250,000 int. Calls MA250,000 int. Calls S0.42 90.02 MA25 Low 874. Then 1014. Calls 1014. Calls 1014. Calls	181,331 Puts 600ths of 100 Est. vol. 183780 812 estion 9½pc 2004;1 29c 2005 12½pc 2005 12½pc 2003-1 11½pc 2003-1 11½pc 2003-1 1½pc 2004-8	Open int. 271887 8021 Hotes id 7,81 8,48 8,48 8,19 8,19 8,19 8,19 8,19	Japan Morto (LIFFE) Mar Jun * UFFE tutu * 5-58 105 4 5-58 105 4 5-58 105 4 5-58 116 5 5-58 116	MAL LONG Y100m 100 Open 108.66 107.95 es also trad 48 1054 48 1054 48 1128 48 1128 48 1138 48 1188 48 1188 48 1188 48 1188	20 of 100 Closes	Change Change Al Open Inter By 196 Age 196	High 108.70 107.95 and figs. are figs. are fig	Low 108.65 107.92 for previous 10 2 7 10 2 7 10 10 2 7 10 10 2 7 10 10 2 7 10 10 10 10 10 10 10 10 10 10 10 10 10	Est. voi 2882 304 1 day.	1994/5 High
PACE 1995 IN COL 10 Int. Calle OF 10 Int. Calle OF 90. IN 190. IN 1	1.45 0.68 0.22 a 33,279 Po a 33,279 Po a 53,279 Po a 53,279 Po a 52,279 b 10,00 b 10,00 b 12,22 13,17 13,17 12,48 14,00 15,17 16,17 16,17 16,18	1.08 0.64 57.379 - Provided at 10.05 87 - 40.33 87 - 40.33 40.31 84 - 40.31 84 - 40.31 84 - 40.31 84 - 40.31 84 - 40.31 85 - 40.32 86 - 40.32 87 - 40.32 87 - 40.32 87 - 40.32 88 - 40	8 (UFFE) 0 8 (UFFE) 0 8 1.02 90.43 1074 1175 117	0.39 0.90 0.90 0.90 0.90 0.90 0.90 0.90	181,331 Puts 000ths of 100 Est. vol 183182 812 estion 9½pc 20 812 estion 9½pc 2001; 2920 2003-0 12²pc 2003-0	Open int. 211887 8021 Hotes let 04 8.97 7.61 8.48 8.19 6 10.29 8.18 7 10.29 7 10.29	Japan NOTICE (LIFFE) Mar Jun * LIFFE tutu * LIFFE tutu 8-58 105/j 8-47 28/j 8-51 122-j 8-51 12	MAL LONG Y100m 100 Open 100 108.65 107.95 est alto trad 48 1054 48 1054 48 1254 48 1254 48 1154 48 115	20 of 100 Closes	Change Change Al Open Inter By 196 Age 196	High 108.70 107.95 act figs. wa #67.9 2 (75.9 2 (75.9 3 (75.9	Low 108.65 107.92 for previous 2 107.92 for previous 2 107.92 for previous 3.73 2.74 3.87 2.74 3.87 3.87 3.87 3.87 3.87 3.87 3.87 3.87	Est. voi 2882 304 1 day.	0 0 1994/9 High
22 3 201 total, Calle PITTERSTY NOTIONAL G 90 90 10 90 10 90 10 10 10 10 10 10 10 10 10 10 10 10 10	1.45 0.68 0.22 0.22 0.22 0.22 0.22 0.23 0.27 0.02 0.02 0.02 0.02 0.02 0.02 0.02	1.08 0.64 0.37,379 . Provided to 37,379 . Provided	8 (LFFE) C 18 (LFFE) C 19 High 19 90.43 19 1174 1	0.39 0.90 0.90 0.90 0.00 0.00 0.00 0.00	181,331 Puts 00ths of 100 Est. vol. 183160 812 estin 9½pc 2004; 202 2004; 202 2004; 12½pc 2003-6 12½pc 2003-6 11½pc 2004; 11½pc 2004; 11½pc 2004; 11½pc 2004; 11½pc 2004;	Open int. 271887 8021 Hotes id 04 8.97 7.81 8.48 8.92 8.19 8.19 8.52 10.49 10.49	## NOTICE (UFFE) Mar Jun * UFFE Max * UFFE Max 8.58 105 105 105 105 105 105 105 105 105 105	NAL LONG 100m 100 108.85 107.95 es also trad +를 155년 +를 155년 +를 112년 +를 112년	20 of 100 Closes	Change Change Al Open Inter But Listed 15 96 See 191 See	High 108.70 107.95 and figs. are figs. are fig	Low 108.65 107.92 for previous 10 27	Est. vol. 2002 2002 304 1 day.	- 1994/5 Hgh 2033 1 1125 1
OF THE STATE OF TH	1.45 0.68 0.22 a 33,279 Po a 34,271	1.08 0.64 0.37,379 . Provided to 37,379 . Provided to 37,379 . Provided to 37,379 . Provided to 37,379 . Provided to 37,399 . Provided	8 (LFFE) 0 1 High 1 High 1 178 1	0.39 0.90 0.90 0.90 0.90 0.90 0.90 0.90	181,331 Puts 00ths of 100 Est. vol. 183160 812 estin 9½pc 2004; 202 2004; 202 2004; 12½pc 2003-6 12½pc 2003-6 11½pc 2004; 11½pc 2004; 11½pc 2004; 11½pc 2004; 11½pc 2004;	Open int. 271887 8021 Hotes id 04 8.97 7.81 8.48 8.92 8.19 8.19 8.52 10.49 10.49	## NOTICE (UFFE) Mar Jun * UFFE Max * UFFE Max 8.58 105 105 105 105 105 105 105 105 105 105	NAL LONG 100m 100 108.85 107.95 es also trad +를 155년 +를 155년 +를 112년 +를 112년	20 Close of 100 Close of on APT. 10 Idea on APT. 10 Ide	Change Change Al Open Inter Change Al Open Inter Change Ch	High 108.70 107.95 and figs. we figs. we figs. we figs. we figs. we figs. we figs. grant f	Low 108.65 107.92 for previous 101 20 11 2	Est. vol. 2882 304 1 day. 1005 + 45 - 1005 + 1005 + 45 - 1005 + 1005	- 1994/5 High 2039 1 1125 2 1127 1 1127 1 1188 1 1 1 1
2 2 3 4 vol. total, Calle 1 vol. total, Calle 2 2 3 4 vol. total, Calle 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	1.45 0.68 0.22 0.22 0.22 0.22 0.22 0.23 0.27 0.02 0.02 0.02 0.02 0.02 0.02 0.02	1.08 0.64 0.54 0.54 0.54 0.55 0.64 0.75 0.75 0.75 0.75 0.75 0.75 0.75 0.75	S (UFFE) C C C C C C C C C	0.39 0.90 0.90 0.90 0.90 0.90 0.90 0.90	181,331 Puts 600ths of 100 Est. vol. 183150 812 estion 9*2pc 200 85*4pc 2004;; 200 2005 12*2pc 2003-112*2pc 2003-111*2pc 2003-11*2pc	Open int. 271887 8021 Hotes id 04 8.97 7.81 8.48 8.92 8.19 8.19 8.52 10.49 10.49	## NOTICE (UFFE) Mar Jun * UFFE Max * UFFE Max 8.58 105 105 105 105 105 105 105 105 105 105	NAL LONG 100m 100 108.85 107.95 es also trad +를 155년 +를 155년 +를 112년 +를 112년	20 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Change Change Al Open Inter By Change Al Open Inter By Change Ch	High 108.70 107.95 eet figs. we figs. gas. 2 (78.9) 2 (78.9) 3 (78	Low 108.65 107.92 107.92 107.92 107 previous 107.92 107 previous 108 3.73 2.74 108 3.73 2.74 108 3.77 10.84 177 10.84 177 10.85 177 10.8	Est. vol 2002 304 4 4 1004 4 1	- 1994/5 High 2033) 1 1125 1 1797 1 1797 1 1841 1 1682 1 1798 1 1578 1 1
1223 3 t. vol. total, Calle 2 TITESTRY NOTIONAL G 20 10 90 11 90 1	1.45 0.68 0.22 0.22 0.22 0.22 0.22 0.22 0.22 0.02 0	1.08 0.64 0.37,379 . Ave 0.37,379 .	8 (UFFE) 0 9 Hone 90.43 90.43 1175 117	0.39 0.90 0.90 0.90 0.90 0.90 0.90 0.90	181,331 Puts 000ths of 100 Est. vol. 183180 812 estion 942pc 2014;; 202 2005 1242pc 2003 1242pc 2004 1142pc 2004	Open int. 211897 8021 Hotes ist 04 8.97 7.61 8.48 8.32 10.29 10.29 10.29 10.29 10.48 8.32 10.48 8.32	Japan Morto (LIFFE) Mar Jun * LIFFE tutu * LIFFE tutu * 1054 255 1054 25	MAL LONG Y100m 100 Open 108.85 107.95 es also trad 대 105년 - 전 105	20 of 100 Closes of on APT. Lieu 100 Hall India 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	Change Change Change	High 108.70 107.95 eet figs. we figs. gas. 2 (78.9) 2 (78.9) 3 (78	Low 108.65 107.92 107.92 107.92 107 previous 107.92 107 previous 108 3.73 2.74 108 3.73 2.74 108 3.77 10.84 177 10.84 177 10.85 177 10.8	Est. vol 2002 304 4 4 1004 4 1	- 1994/9 High 2033) 1 113,5 1 1797 1 1797 1 184,5 1 169,5 1 169,5 1 157,5 1 1 157,5 1 1 157,5 1 1 157,5 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
1 2 2 3 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1.45 0.68 0.22 a 33,279 Po EFRIMAN BI SET 1.52 90. 02 90. FIRE 1.02 1.13 1.13 1.12 1.13 1.13 1.13 1.13 1.1	1.08 0.64 0.64 0.7.379 . Prov 0.64 0.64 0.64 0.67 0.67 0.67 0.67 0.67 0.67 0.67 0.67	8 (LF干) 0 9 Hgの 9 90.43 1175よ 1175 1175	0.39 0.90 0.90 0.90 0.90 0.90 0.90 0.90	181,331 Puts 600ths of 100 Est. vol. 183150 812 estion 9*2pc 200 85*4pc 2004;; 200 2005 12*2pc 2003-112*2pc 2003-111*2pc 2003-11*2pc	Open int. 271887 8021 Hotes int 04 8.97 7.81 8.18 8.32 7.81 8.18 8.32 7.81 8.83 8.83 8.83 8.83 8.83 8.83 8.83 8	## NOTICE (UFFE) Mar Jun * UFFE Max * UFFE Max 8.58 105 105 105 105 105 105 105 105 105 105	WAL LONG 100 m 100 108.85 107.95 as also trad 4월 1055 4월 1055 4월 1055 4월 1155 4월 1155 48 11	200 OF 100 OF 10	Change Change Change	High 108.70 107.95 eet figs. ere 107.95 eet figs. e	Low 108.65 107.92 107.92 107.92 107 previous 107.92 107 previous 108 3.73 2.74 108 3.73 2.74 108 3.77 10.84 177 10.84 177 10.85 177 10.8	Est. vol 2002 304 4 4 1004 4 1	- 1994/9 High 2033) 1 113,5 1 1797 1 1797 1 184,5 1 169,5 1 169,5 1 157,5 1 1 157,5 1 1 157,5 1 1 157,5 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
1223 3 L vol. total, Calle Orthosaty NOTIONAL G 90 11 S C 1 S 2 10 S 3 1	1.45 0.68 0.22 0.22 0.22 0.22 0.22 0.23 0.29 0.02 0.02 0.02 0.02 0.02 0.02 0.02	1.08 0.64 0.54 0.54 0.57.379 . Provided to 37.379 . Provided to 37.34 . 1094 . 7.34 . 1094 . 7.34 . 1094 . 7.34 . 1094 . 7.34 . 1094 . 7.34 . 1094 . 7.34 . 1094 . 7.34 . 1094 . 7.34 . 1094 . 7.34 . 1094 . 7.34 . 1094 . 7.34 . 1094 . 7.34 . 1094 . 3.31 .	8 (LF干) 0 9 Hgの 9 90.43 1175よ 1175 1175	0.39 0.90 0.90 0.90 0.90 0.90 0.90 0.90	181,331 Puts 600ths of 100 Est. vol. 183180 812 812 812 812 812 812 812 812 812 812	Open int. 271887 8021 Hotes int. 24 8,97 7,81 8,48 10,29 8,18 8,18 10,48	Japan Morto (LIFFE) Mar Jun * LIFFE tutu	MAL LONG Y100m 100 Open 100 108.86 107.95 es also trad #1 105/g #1 125/g #1 125/g #1 115/g #1 115/g #	20 0 0 100 Close of 1	Change Change Change	High 108.70 107.95 eet figs. we figs. grade 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Low 108.65 107.92 107.92 for prinvious 10 2 71 10 2 71 10 3.72 2.74 2.73 2.74 2.73 2.74 2.73 2.74 2.75 2.77 2.87 77 2.87 77 2.87 77 2.87 77 2.87 77 2.87 77 2.87 77 2.87 78 1000 in Figure 100 1000 in Figu	Est. vol 2002 304 4 4 1004 4 1	- 1994/9 High 2033) 1 113,5 1 1797 1 1797 1 184,5 1 169,5 1 169,5 1 157,5 1 1 157,5 1 1 157,5 1 1 157,5 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
22 3	1.45 0.68 0.22 0.22 0.22 0.22 0.22 0.22 0.22 0.2	1.08 1.08 1.064 1.064 1.07 1.07 1.07 1.07 1.07 1.07 1.07 1.07	1 1 1 1 1 1 1 1 1 1	0.39 0.39 0.90 0.39 0.90 0.90 0.90 0.90	181,331 Puts 000ths of 100 Est. vol. 183160 812 812 854pc 2004;; 292 2005 9 1g 82005 1122pc 2003+1 1122pc 2003+1 1112pc 2003+1 1112pc 2003+1 1122pc 2004+1 1122pc 2004-1 1122pc 2004-1 1122pc 2003-1 1122pc 2004-1 1122pc 2004-1 1122pc 2004-1 1122pc 2004-1 1122pc 2003-1 1	Open int. 271887 8021 Hotes int. 24 8,97 7,81 8,48 10,29 8,18 8,18 10,48	## NOTICE (UFFE) Mar Jun * UFFE Max * UFFE Max * UFFE Max * 1054 8.45 1054 8.45 1054 8.45 1054 8.47 944 M 8.52 1054 8.47 1004 8.48 1004 8.49 394 8.41 1054 8.41 1054 8.42 1054 8.41 1054 8.42 1054 8.41 1054 8.42 1054 8.43 118	WAL LONG Y100m 100 Open 108.85 107.95 ea also trad 4월 105/2 4월 125/2 4월 125/2 4월 115/2 4월 115/2 49 11	20 of 100 Close of	Change Change Change Al Open Inter By 196 Apr 196 A	High 108.70 107.95 eet figs. we figs. grade 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Low 108.65 107.92 107.92 for prinvious 10 2 71 10 2 71 10 3.72 2.74 2.73 2.74 2.73 2.74 2.73 2.74 2.75 2.77 2.87 77 2.87 77 2.87 77 2.87 77 2.87 77 2.87 77 2.87 77 2.87 78 1000 in Figure 100 1000 in Figu	Est. vol 2002 304 4 4 1004 4 1	19849 High 20393 31 1759 11 1739 11 1739 11 1739 11 1739 11 1739 11 1739 11 1739 11 1730 11 17
1 2 2 3 L vol. total, Calle 2 3 L vol. total 2 3	1.45 0.68 0.22 0.22 0.22 0.22 0.22 0.22 0.22 0.03 0	1.08 1.08 1.064 1.07 1.07 1.07 1.07 1.07 1.07 1.07 1.07	8 (LF干) 0 9 Hgの 9 90.43 1175よ 1175 1175	0.39 0.39 0.39 0.39 0.39 0.39 0.39 0.42 0.42 0.42 0.42 0.42 0.42 0.42 0.42	181,331 Puts 600ths of 100 Est. vol. 183780 812 estion 9/2pc 2004;; 2pc 2005 912 pc 2005 112/2pc 2003 112/2pc 2003 112/2pc 2003 112/2pc 2003 112/2pc 2004 113/2pc 2003 112/2pc 2004 113/2pc 2008	Open int. 211887 8021 Hotes ist 4 8.97 7.61 8.18 8.19 8.10 8.19 8.10 8.10 8.10 8.10 8.10 8.10 8.10 8.10	Japan Morto (LIFTE) Mar Jun * LIFTE Mar 881 845 1051 825 1051 845 1051 845 1051 845 1051 846 1064 846 952 846 1064 846 952 846 1064 846 952 846 1064 846 952 846 1064 846 952 846 1064 846 952 846 1064 846 952 846 1064 846 952 846 1064 846 952 846 1064 846 952 846 1064 846 952 846 1065 846 1	MAL LONG Y100m 100 Open 100 100.65 107.95 105.95 105.95 105.95 115.95 1	2000 Of 100 Close of on APT. Close of on APT. 101 In India 2	Change Change Change Al Open Inter By 196 Apr 196 A	High 108.70 107.95 eet figs. we figs. grade 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Low 108.65 107.92 107.92 107.92 107 previous 10	Est. vol 2882 304 idey.	- 1994/9 High - 1994/9 High - 1994/9 113,5 113,5 113,5 1148-5 1157,5 1157,5 1158,5 1129,5 112
1 2 2 3 L vol. total, Calle 2 3 L vol. total 2 3	1.45 0.68 0.22 0.22 0.22 0.22 0.22 0.22 0.22 0.03 0	1.08 0.64 0.54 0.54 0.57 0.64 0.57 0.66 0.75 0.67 0.67 0.67 0.67 0.67 0.67 0.67 0.67	18mm	0.39 0.90 0.90 0.90 0.90 0.90 0.90 0.90	181,331 Puts 600ths of 100 Est. vol. 183160 812 81512 8152 8152 8152 8152 8152 8152	Open int. 211887 8021 Hotes int 04 8,97 7,61 8,48 8,19 8,19 8,19 8,19 8,19 8,19 8,19 8,1	Japan Morrico (LIFFE) Mar Jun * UFFE Mai * UFFE Mai * 1951 * 1952 * 1953 * 1953 * 1953 * 1953 * 1954	WAL LONG 100 100 100 100 100 100 100 100 100 10	201 Of 100 Closes of on APT. Closes of on APT. 101 International Inter	Change Change Al Open Inter By Listed By Service Change Part By Service Change Part By Service Change Part By Service	High 108.70 107.95 eet figs. we figs. garden 107.95 2.70.9 3.70.95 3.70.	Low 108.65 107.92 107.92 107.92 107.92 107.92 107.92 107.92 107.92 108.37 108.37 108.37 108.37 108.37 108.37 108.37 108.37 108.37 108.37 109.38 109.3	Est. vol 2882 304 idev.	- 1994/5 High 2033) 1 113,5 113,5 118,5 118,5 118,5 118,5 118,5 118,5 119,5 11
1 2 2 3 L vol. total, Calle 2 3 L vol. total 2 3	1.45 0.68 0.22 0.22 0.22 0.22 0.22 0.22 0.22 0.03 0	1.08 0.64 0.54 0.54 0.57 0.64 0.57 0.66 0.75 0.67 0.67 0.67 0.67 0.67 0.67 0.67 0.67	18mm	0.39 0.39 0.39 0.39 0.39 0.39 0.30 0.30	181,331 Puts 600ths of 100 Est. vol. 183780 812 estion 9/2pc 2004;; 2pc 2005 912 pc 2005 112/2pc 2003 112/2pc 2003 112/2pc 2003 112/2pc 2003 112/2pc 2004 113/2pc 2003 112/2pc 2004 113/2pc 2008	Open int. 271887 8021 Hotes int	Japan Mortog (LIFFE) Mar Jun * LIFFE tutu * LIFFE tutu * S93 10513 8.45 1051 8.51 1223 8.61 1224 8.63 1061 8.62 1265 8.63 1061 8.63 1061 8.64 1062 8.64 1063 8.65 1063 8.67 943 8.68 1064	WAL LONG Y100m 100 108.85 107.95 108.85 107.95 108.85 107.95 108.85 108	20 0 100 Closes of 0 100 Close	Change Change Change Al Open inter Service 1991 Servic	High 108.70 107.95 act figs. are fig	Low 108.65 107.92 for previous 107.92 for previous 107.92 for previous 107.93 1.74 1.74 1.74 1.74 1.74 1.74 1.74 1.74	Est. vol. 2682 304 idey. 1055 + 15 - 15 - 1055 + 15 - 15 - 15 - 15 - 15 - 15 - 15 -	- 19945 High 2033] 1 1132 1 1157 1 1157 1 1168 1 1168 1 1157 1 1158 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
1 2 2 3 4 vol. total, Calle 2 3 4 vol. total 2 3 4 vol.	1.45 0.68 0.22 0.22 0.22 0.22 0.22 0.22 0.02 0.0	1.08 0.64 0.54 0.54 0.57 0.64 0.57 0.66 0.75 0.67 0.67 0.67 0.67 0.67 0.67 0.67 0.67	18mm	0.39 0.39 0.39 0.39 0.39 0.39 0.30 0.30	181,331 Puts 600ths of 100 Est. vol. 183,89 812 812 812 812 812 812 812 812 812 812	Open int. 271887 8021 Hotes int	Japan Morto (LIFFE) Mar Jun * LIFFE tutu	WAL LONG 100 100 100 100 100 100 100 100 100 10	20mm of 100 Closes of an APT.	Change Change Change Al Open Inter Change Ch	High 108.70 107.95 act figs. are fig	Low 108.65 107.92 for previous 2 107.92 for previous 2 107.92 for previous 3 107.93 10	Est. vol. 2882 304 idey. 100% + 4 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2 -	- 1994/9 High -
1 2 2 3	1.45 0.68 0.22 0.22 0.22 0.22 0.22 0.22 0.02 0.0	1.08 0.64 0.64 0.64 0.67 0.68 0.68 0.68 0.68 0.68 0.68 0.68 0.68	18	0.39 0.39 0.39 0.39 0.39 0.39 0.30 1.00 1.00 1.00 1.00 1.00 1.00 1.00	181,331 Puts 600ths of 100 Est. vol. 183,89 812 812 812 812 812 812 812 812 812 812	Open int. 271887 8021 Hotes int	Japan Mortog (LIFFE) Mar Jun * LIFFE tutu * LIFFE tutu * S93 10513 8.45 1051 8.51 1223 8.61 1224 8.63 1061 8.62 1265 8.63 1061 8.63 1061 8.64 1062 8.64 1063 8.65 1063 8.67 943 8.68 1064	WAL LONG Y100m 100 108.85 107.95 108.85 107.95 108.85 107.95 108.85 108	20mm of 100 Coses of 0 APT.	Change Change Al Open inter By Sept 1 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	High 108.70 107.95 act figs. are fig	108.65 107.92 107.92 107.92 107.92 107.92 107.92 108.373 27.93 27.374 2.97 27.374 2.97 27.344 2.97 27.344 2.97 27.344 2.97 27.344 2.97 27.344 2.97 27.344 2.97 28.984 28.982	ESL VOI 28822 304 1 day. 100 2 + 07 - 11004 + 11004 1	- 1994/9 High 1132 1132 1132 1133
1223 2 vol. total, Calle 2 vol. total 2 vol. to	1.45 0.68 0.22 0.22 0.22 0.22 0.22 0.22 0.02 0.0	1.08 0.64 0.64 0.7.379 . Provided to 37.379 . Provided to 37.34 . 1094 . 7.34 . 1094 . 7.34 . 1094 . 7.34 . 1094 . 7.34 . 1094 . 7.34 . 1094 . 3.31 . 1094 .	18	0.39 0.90 0.90 0.90 0.90 0.90 0.90 0.90	181,331 Puts 600ths of 100 Est. vol. 183,89 812 812 812 812 812 812 812 812 812 812	Open int. 271887 8021 Hotes int	Japan Mortog (LIFFE) Mar Jun * LIFFE tutu * LIFFE tutu * S93 10513 8.45 1051 8.45 1051 8.45 1061 8.45 1061 8.47 1061 8.48 1061 8.49 1061 8.40 1061 8.41 1051	WAL LONG Y100m 100 108.85 107.95 108.85 107.95 108.85 107.95 108.85 108	20m of 100 Close of 0 APT. 100 Close of 0 APT	Change Change Change Al Open inter By Sept 1911 Sep	High 108,70 107,95 and 107,95 and 107,95 and 107,95 and 107,9 3 2,73,9 3 2,73,9 3 3 3,73,9 3 3 3,73,9 3 3 3,73,9 3 3 3,73,9 3 3 3 3,73,9 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	108.65 107.92 107.92 107.92 107.92 107.92 107.92 107.92 107.92 107.93 108.93 109.93 10	ESL VOI 2002 304 1 day. 2002 304 1 day. 1005 + 107 1 1105 1 1105 1 1105 1 1105 1 1105 1 1105 1 1105 1 1105 1	- 1994/5 1132
12 2 3 2 2 201 101 1. Cubic Cu	1.45 0.68 0.22 0.22 0.22 0.22 0.22 0.22 0.02 0.0	1.08 0.64 0.57.270 . Provided to 37.270 . Provided	18	0.39 0.39 0.39 0.39 0.39 0.39 0.30 1.00 1.00 1.00 1.00 1.00 1.00 1.00	181,331 Puts 600ths of 100 Est. vol. 183:80 812 estion 9½pc 2014;; 292 2005 12½pc 2005; 12½pc 2003-1; 2002-8;	Open int. 271887 8021 Motes int. 4 8.97 7.61 8.18 8.18 8.12 7.64 8.18 8.12 7.64 8.18 8.12 8.12 8.18 8.12	Japan Mortog (LIFFE) Mar Jun * LIFFE tutu * LIFFE tutu * S93 10513 8.45 1051 8.45 1051 8.45 1061 8.45 1061 8.47 1061 8.48 1061 8.49 1061 8.40 1061 8.41 1051	MAL LONG Y100m 100 Open 108.86 107.95 108.86 107.95 108.86 108.8	20	Change Ch	High 108.70 107.95 eet 103.9 eet 103	Low 108.65 107.92 for previous 107.92 for prev	Est. vol 2882 304 dev. 100% + 100% + 110% + 110% + 110% + 110% + 110% + 110% + 110% + 110% + 110% + 110% + 110% + 110%	- 1994/9 High - 1132 1132 1132 1133 1134 1135 1135 1135 1135 1135 1135
12 2 3 2 2 201 1011. Cubic 12 2 3 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	1.45 0.68 0.22 0.22 0.22 0.22 0.22 0.22 0.22 0.03 0.03	1.08 1.08 1.08 1.08 1.08 1.08 1.08 1.08	1	0.39 0.39 0.39 0.39 0.39 0.39 0.30 0.39 0.30 0.39 0.39	181,331 Puts 600ths of 100 Est. vol. 183150 812 estion 9*2pc 2004; 2005 9 *2 pc 2005 12*2pc 2003-11*2pc 2003-11*2pc 2003-11*2pc 2003-11*2pc 2003-11*3pc 2003-11*3pc 2003-11*3pc 2003-11*3pc 2013-11*3pc 2013-11*3p	Open int. 211887 8021 ions int 04	## NOTICE (LIFFE) Mar NOTICE (LIFFE) Mar NOTICE (LIFFE) ## NOTI	WAL LONG 100 m 108.65 107.95 at also trad - 변화 125-5 m 116.5 - 116.5	20mm of 100 Coses of 0 APT.	Change Change Change Al Open inter Al Open inter Change Ch	High 108.70 107.95 act 103.9 act 103	108.65 107.92 107.92 107.92 107.92 107.92 107.92 107.93 10	Est. vol 2882 304 1694 1695 1695 1695 1695 1695 1695 1695 1695	- 1994/9 High 113,5 11 157,5 11
1 2 2 3 4 VALUE OF THE SET OF THE	1.45 0.68 0.22 0.22 0.22 0.22 0.22 0.22 0.02 0.0	1.08 0.64 0.54 0.54 0.54 0.57 0.64 0.57 0.66 0.75 0.67 0.67 0.67 0.67 0.67 0.67 0.67 0.67	1	0.39 0.39 0.39 0.39 0.39 0.39 0.30 0.39 0.30 0.39 0.30 0.39 0.30 0.39 0.30 0.30	181,331 Puts 600ths of 100 Est. vol. 183150 812 812 812 812 812 812 812 812 812 812	Open int. 271887 8021 Motes int 4	Japan Morto (LIFTE) Mar Jun - LIFTE MAR JUN -	WAL LONG 100 m 108.65 107.95 at also trad - 변화 1255-125 1155-125 1178 1178 1178 1178 1178 1178 1178 117	20mm of 100 Coses of 0 APT.	Change Change Change Al Change Al Change Cha	High 108.70 107.95 act figs. are 107.95 2 (155.9 2 (155.9 3 16	108.65 107.92 107.92 107.92 107.92 107.92 107.93 108.3.73 109.37 109.38	ES Vol 2882 304 day. State of the control of the c	- 1994/9 1
TIME TO SECOND S	1.45 0.68 0.22 0.22 0.22 0.22 0.22 0.02 0.02 0.0	1.08 1.08 1.08 1.08 1.08 1.08 1.08 1.08	1	0.39 0.39 0.39 0.39 0.39 0.39 0.30 0.30	181,331 Puts 600ths of 100 Est. vol. 183,89 812 812 812 812 812 812 812 812 812 81	Open int. 271887 8021 Motes int 4	Japan Morto (LIFFE) Mar Jun * LIFFE tutu * LIFFE tutu * LIFFE tutu * See 1051 * 200 *	WAL LONG Y100m 100 108.85 107.95 108.85 107.95 108.85 107.95 108.85 108	### Of 100 Close of 0 APT. Close of 0 APT. ### APT. #	Change Change Change Al Open inter Al Open inter Change Ch	High 108.70 107.95 and	108.65 107.92 107.92 107.92 107.92 107.92 107.92 107.93 108.37 108.37 108.37 108.37 108.38 10	Est. vol 2882 304 1694 1695 1695 1695 1695 1695 1695 1695 1695	1994/9 High 1994/9

							Callit Edi 5-day s				81.7 94.5 92.7 95.5	102.5 97.6	87. 98.		97.	
or 1994/5. Government Se and Fload interest 1928.	gurities fi SE eqtiv	gh since by indic	complication	iden; 12 ed 197	7.40 (S/	1/35), low 49.18 (3/1/75). Flood Interest	high sin	ce comp	latio _t :	138.57	(21/1/94) , low 60.53 (6/1/76) .	Basis 100	: Govern	ment Se	zrite:	15/
FT/ISMA INTE	RNATI	ONA	L BO	DND	SER	VICE	·									
	ional band Jesusal				-	a secondary mariot. Leftest prices at leased	-	ce Feb	-			bound	BH.	Oller	Chg.	Yk
B. DOLLAR STRAIGHTS bey Nat Treesury 8 ¹ 2 03		96	90%	. <u></u>	8.20	Unlined Kingdom 7 ¹ g 97 5500 Volkswegen Ind Fin 7 03 1000	1014	1013 ₈ 95%	<u></u>	6.59 7.79	Abboy Neil Treasury 8 03 2	1000	92% 105%	93 ¹ a 105 ¹ a	+31	92
perta Province 75 98	1000	9974	9912	•	7.65	World Bank D 15 2000	234	2312	3	7.27	Allence Leics 11 ³ g 97 £ British Land 8 ⁷ g 23 £ Degment 6 ³ g 98 £	150	90 ² 4	805	4	10.
stria 8 ¹ 2 00 nk Ned Gwmeantan 7 99	1000	9732	103 ¹ 8	+45	7.81 7.68	World Bank 5% 03 3000 World Sank 8% 00 1250	89 ¹ 4 110 ¹ 2	897 <u>a</u> 111	44,	7.69 6.31	BB 8 03 £	1000	94%	94 ² 4 84 ⁵ 1	+1) +1)	8. 8.1
nk of Tokyo 8½ 96 glum 5½ 03	100 1000	100% 84%	101년 8주년	ął,	7.83 8.07	SIMES FRANC STRAIGHTS					Hadler 10 ² g 97 £ Hanson 10 ² g 97 £	100 570	1083 ₂	103 ⁵ 8	4	6J 6J
Œ 7½ 97	150	1003	1001	44	7.54	Asian Dev Bank 6 10 100		103		5.80	HSSC Haidings 11.69 02 £ _	153	108%	110	+3	8.7
ish Gas 0 21 nada 9 96	1000	1015	12 1013	+16	8.54 7.23	Austria 4/2 00	995	98 984		5.02 4.89	Japan Dav Elk 7 00 £	230	92	108 % 82%	+4 +4	9.7 8.1
eung Kang Pin 5½ 98	600	8834	89 ¹ 2	-13 14	9.25 9.16	Dermark 4 ³ 4 99 1900 E9 6 ³ 4 04 300	974 107	97½ 107¼		4,92 5,78	Land Secs 9/2 07 £	20	997	100 ¹ 4 108 ¹ 2	+4	9.0
ne 6 ¹ 2 04 uncil Europe 8 98	100	1005	100%		7.49	Bec de France 74, 06	10012	11012		6.04	Powergen 5% 03 £ Seven Trent 11½ 99 £	250	975g	87%	**	9. 9.
dit Foncier 9½ 99 mark 5¾ 98	300	105% 25	105% 95%	**	7.82 7.64	Finland 7 ¹ 4 99	107 ¹ 4 106	107% 107%	•	5.44 5.91	Savan Trent 11 ¹ 2 99 2 Tolgo Bac Power 11 01 2	160 480	106 ³ a	106 ² 6	+5	9.5
t Japan Rahmay 672 D4	600	90%	91	7	8.12	icetand 7 ⁵ g 00 100 Kobe 6 ⁵ g 01 240	108 ¹ 2	108 2		5.76	Abbey National CSG N25	100	85%	885	+	9.0
SC 84, 96	193 100	107 101	10112	₽ ¹ g	7,51 7,40	Kobe 63 01	105 102	105 ¹ 2 102 ¹ 2	J,	5.43 5.83	TCA2 Fin 94, 02 NZS	75 7000	100% 84%	1013, 904	4	9.1 7.1
74 96	250	100 ¹ 2	100%	•	7.22	Quebec Hydro 5 05	854	85	44	6.88	Bayo da Franca 874, 22 FFr	3000	102 ¹ 2	1025	+12	8.
74, 96 94, 97 de Region 8 98	200	1034	104 ¹ 8 10834	쁄	7.62 7.37	9NCF 7 04 450 World Bank 5 03 150	110 97%	110 ¹ 4 98 ¹ 4		5,63 5,38	SNCF 6 ¹ 4 97 FF:	4000	1035	104		7.
nama 94, 96	100	1014	102 ¹ 2 101	ąl _p	7.38 7.87	World Back 7 01 600	108	1084		5.35	ROATING RATE NOTES		Bei	, 01	_	_
ort Dev Corp 9½ 98	150.	1047	10514			YEK STRACHTS					Abbey Nati Treesury -12 99 _	Joseph	99.48		_	<u>Cq</u>
ngi Naii Mart 7,40 04 and 6%, 97	1500 3000	97-2 97-3	67 ² 4, 98	+4	7.93 7.75	Belgium 6 99	103% 11114	1044s	44	4.10 4.16	Sumon Dame (1.00	660			. (6.37 6.53
Moster Credit 54, 95	1500	957	98 	7	8.04	Financi 6%, 96 60000	1043	100%	_	277	Stigium & ST DM	500				5.12 6.29
1 Elec Capital 9 ³ 1, 96 IAC 9 ⁷ 8, 96	200	1014	1015 1015		7.58 7.74	YEN STRAKENTS Belgium 5 99	234	114 834	7	4.28 4.80	Britannia 0.10 98 £ Canada -1; 99 CCCE 9 08 Ecu	150	99.00	100	04	885
9k Japan Fin 7% 97	200 200	997 <u>1</u> 100	100% 100%	+14	7.92 7.56	Japan Der Bk 5 99	1043	1042	4	3.95 4.49	CCCE 9 08 Equ	2000 200	99.22 89.15			5.56 5.76
r Amer Dev 7 t 96 y 6 t 23 en Dev Bk 8 t 5 t 1 en Bec Per 10 96	3500	80 ¹ 2	8012	+4	8.87	Npport Tel Tel 57, 95 50000	104-2	1044		3.00	courts of an independent of an arrange		97.36 99.59		45	6.68 5.06
nen Dev BK 845 07 Neni Bez: Perr 10 96	900 350	102 ¹ 6 102 ⁵	102 ¹ 2 1023		7,92 7,48	Norwey 5-1 97 150000 SNCF 61: 00 20000	1015	104 ¹ 2 111 ¹ 4	şi,	3.11 4.16	Denmark - 96	1000	00.00	100	08	5.09 5.09
188 Elec Power 67 103	1350	66 ³ 3	867 ₉ 100 ¹ 2	+18				108%	-	4.68	Fisco del Stat 0.10 97 Fisiand 0 97 Mi Sank Inti ¹ 4 99 Raly ¹ 4 98	420	99.91 98.98			6.10 6.75
29 Fin 8 97	1000	100 96 ¹ s	963	44	8.10	9wadan 4% 98 150000 Wald Bank 5% 02 250000	102°s	102 % 104 %		8.68 4.80	Mi Bank Inti 4 69	500	89.95	100.	Q4 (6.16
way 7 ¹ 4 97 arto 7 ³ 2 08 ar Kontrollounk 6 ¹ 2 01	1000 9000	99 ¹ 2 95 ⁵ 1	9874 9574	44	7.49 8.30	OTHER STRAGKTS						1003	100.02 99.39			6.62 5.67
er Kontrollowsk 8½ 01		108	1021	4	7.86	Gerifinança Lux 91, 89 LF; 1300	10412	105 ¹ 2		7.81	Lloyds Bank Pero S 0.10	eno	83.25		25	5.41
ro-Cerecte 7 ¹ 4; 98 tugal 5 ¹ 4; 03 thec Hydiso 9 ² 4; 98	200 1000	995g 855a	100 ¹ 2	44	7.53 8.25	REB Court Inchestrik 8½ 03 LF; 3000 World Bank 6 96 LF;	100%	1014 1014		8.46 6.98	Malayah, ½ 05 New Zealand -1 ₈ 99	660 1000	99.21 99.73	99.	82	5.98 6.37:
ebec Hydro 94; 98	150	104%	1054	44	8.16	AEN Anno 65 00 F	967	974	4	7.37	Unizati (189	2000	89.46 99.40		'	581
ebec Prov 9 98 resbury 8 ¹ e 96	200 150	102 ¹ 2 102	102% 102%	14	8.06 7.34	Bank Ned Gemeenten 7 03 R 1500 MoertaProvince 107g 98 CS 500	95 101 3	96 ³ a 102 ³ 4	ų,	7.68 8.62	Flente 0 98 Societe Generale 0 98	300	98.54	99.	56	6.00 5.37
\$ 10 99	200	1044	1053	44	RAN	Bell Carnecta 10 ² s 90 CS	1007	104	+3	9.48	Statesbank Bedin -0.05 95 Day State Bik Victoria 0.05 99	- 500	99.94 99.63			5,14 6,98
CF 9½ 95 An 6½ 99	1900	105 947	105 % 95	44	7.76 7.84	EB 10 ¹ 4 96 CS 130	101 } 1083	101 k 104 h	1	8.78 8.68	Sweden 0 98	1500	99.83	99.	122 (8118 6118
aa Bik NSW 8½ 96	200	101	1014 914	ął,	788	Elec de France 94, 99 CS 275 Gen Elec Captel 10 96 CS 300	1017.	102 %	4	920	Sweden -1g 01 Uolad Kingdom -1g 98	2000 4000	96.72 98.90		- '	6.12 6.25
adan 8½ 03 adan Export 8% 98	700	100%	1012	·	749		407	1031	4	6.89 9.41					•	-63
yo Elec Power 6 ¹ e 03 yo Metropole 6 ¹ 4 96	1000	863 ₃ 101	88% 101%	+,4	806 7.56	Mippon Tel Tel 10 ¹ 4 98 CS 200 Ontario 8 CS CS 1500		1087	+4	9.31	CONVERTELE BONDS		Zonsc.			
OQ MADO 5'1, 98	1500	947	94%	4	7.57	Ontario Hydro 10% B9 C\$ 500	917 <u>.</u> 1047.	92 ⁹ 4 105 ³ 5	444	9.69			Price	Bid 0	Wer F	les.
ted Kingdom 74, 62 rid Bank 89, 99	3000	967) 1031 ₈	97 ¹ 2 1033	**	7.79 7.70	Outer Kontrollberk 16 ¹ 4 99 CS 150 Cuebec Prov 10 ¹ 2 98 CS 200	103 ³ 1 1023	:104	4	9.25	Browsing-Fests 6%, 05	-400 9		91/4	95 -	156.2
nd Bank 64, 97		1024	103	~		Belgium 91e 96 Scu 1250	102	103 ¹ a 102 ¹ a	4	9.56 7.16	Chabb Capital 6 96	_250	95 19 NOSA			110
utrache Mark Straigh	-					Council Surger 8 07 Sec		1024,	+3,	8.51	Hamaon 8 ¹ 2 06 £	_500 25	2575			148. 113.1
ote 62 24	2000	83 ⁷ 1	841	_	7.94	田 10 97 504 125	101 ¹ 2 104 ¹ 2	102 1043	7	7.65 7.71	Hanson America 239 (h Hong Kong Lund 4 (h	_ 420 30.6			3 7. 1	Ж.
dit Fonder 74 03	2000 2000	97취 98취	974	4,5	7.70 6.79	Ferro del Stat 10 ¹ 2 96 Ecu	1047	1044	4	6.36	Land Secs 63, 02 C	84 (6.72 . :	894, g	SI ₂ .	-25.4 +9.9
ás Financo 6ºs 03	1500	914	813	44	7,73	kely 10 ² 4 00 Ecu 1006 Spein 9 96 Ecu 1000	108 ¹ 2 102	100 g 102 g	4	8.63 7.27	Liamo 74; 05 E Mitaul Bank 24; 03	90	5.64 d	54 ₂	86	
nche Ek Pn 7½ 05 6½ 00	2000	98½ 87%	95% 97%	4	7.76 7.07	United Kingdom (4) Of Esq 2750	108 ¹ 2	105	***	8.3 5	Mount ha iiin 64 97	_100 2	283	965 9		110.0 150.2
64 W	1500	80 ¹ 2	88 ¹ 4	44		ADC 10 99 AS	98 1114	86½ 111½	3	10.58 10.54	Ned Power 614 08 2	290	439 1	13 4 11	44	2
and 7½ 00	3000	100%	1014	+4	7.26	BB 74, 99 A\$ 350	83 5	937	4	9.81	Ogden 6 02 Persecol 4% 03	- 600 SR F	CO7 /			481.2 +12.2
/ 7 ¹ 4 98	6000 2250	100 ² 2 89	1007s	44	7.06 7.84	NSW Transay Zaro 0 20 AS 1000 R & I Stark 74,08 AS 125	5% 844	9 ³ 4	**	9.84 10.68	Surstomo Berk 31 ₈ 04 Sun Allence 7 ¹ 4 06 2	_ 300 an	06.9	751	77	172
wey 6 ² s 80	1500	98).	984		6.77	\$100a Bik NSH 9 (12 A\$	하는	817	4	10.67	Tesco Capital 9 05 £	200 :		804, 8 154, 11		117.1 144.4
mio 6 ¹ 4 04	1500 4000	95 97%	90 ¹ a 97 ² a	*		\$th Aust Govt Fin 9 02 A\$ 150 United: Australia 12 98 A\$ 150	91 ³ 6 104	814 1042	ユ	10.89 10.42	Teras instrumento 24, 02 No information svalebie - pr	300 E	22 (16.
den 8 97		102	102	4		Western Augt Trage 7% 98 AS 100	22/2	227	₹,	10.41	# Cally one maket maket ex	omalii (di o a ledin				-

CURRENCIES AND

laxo announ

MARKETS REPORT

Attention focuses on dollar bloc currencies

too pessimistic about inflation st contained finally to be winning city

有其中有其为 "一大人"。

22 Years ... The Land of the Control of the Contr over the at a

overnment bond mance seen rist

表示与最近,最近大约的时间。 海流经过多级

Weakness in the Australian the peseta both firmer. and New Zealand dollars, and a Sterling had a steady recovery in the Canadian dollar, were the features of cur-

rency trading yesterday, writes Philip Gawith. The Australian dollar was hit by a sell-off in commodity markets, and took the New Zealand dollar with it. The Australian dollar lost nearly half a cent against the dollar to close in London at 74.58 US cents, from 75.04 cents. The New Zealand dollar finished at 63.15 US cents, from 63.28

Tough weekend comment from the finance minister about the forthcoming budget helped the Canadian dollar, which finished at C\$1.8951, from C\$1.3978, against the dol-

The US currency itself gained half a pfennig against the D-Mark, finishing at DM1.5355, from DM1.5309. The firmer dollar has taken some pressure off weaker European currencies, with the lira and

POUND SPOT FORWAR

18.8298 49.2029

373.573 1.0089 2518.15

(Fi) 2.6798 (NK) 10.4576 (Es) 246.638 (Pts) 208.132 (SK) 11.6230 (SFI) 2.0257

+0.088 856 - 202 -0.0018 043 - 124 +0.0068 682 - 819 -0.0014 723 - 786 +0.003 902 - 922

Sterling had a steady day following recent losses, with the new trade weighted index finishing unchanged at 87.8. It was slightly firmer against the D-Mark at DM2.3912, from DM2.3882, but weaker against

from \$1.56. The South African financial rand, meanwhile, was helped through the four-rand barrier against the dollar. Sentiment was boosted by comments in Australia from Mr FW de Klerk, the deputy-president, about the appropriate circumstances for merging the commercial and financial rands.

■ The Australian dollar hit a three month low, and is possibly heading lower, having

-- Prev. cione --1.5800 1.5584 1.5581 1.5663 Feb 7 ---| sinsi----

16,8403 16,7840 16,8173

49,2330 49,0570 49,1529 9,4211 9,3896 9,4026 7,3980 7,3580 -8,2792 8,2547 8,2683 2,3846 2,3844 2,3883 274,102 372 672

\$74.192 372.607 -1,0103 1,0074 1,0088 2619.61 2507.97 2521.65

49,2830 48,0570 48,1529 2,8825 2,6719 2,6766 10,4662 10,4342 10,4564 246,708 244,793 247,135 207,162 205,929 206,432

2.0164

11.6345

2.0213

11.6642 11.5894

0.9 16,7836

-1.7 2531.25 -2.1 2576.7 1.2 49.0379 1.3 48.5779 1.4 2.6691 1.6 2.6337

1.4 2.8881 1.8 2.8887 0.1 10.4545 0.1 10.4481 -2.9 248.788 -8.7 -1.7 207.232 -2.1 211.067

11,771

Apart from a retreat in world commodity prices, analysts said the dollar was also the victim of some heavy selling

pressure, and disappointment that the government had ruled out a near-term increase in the dollar, finishing at \$1.5573 Sentiment was further depressed by Merrill Lynch advising clients to cut their exposure to the dollar, from an

overweight 8 per cent, to a neutral 1 ner cent. As with the Australian dollar, the New Zealand dollar has enjoyed a fairly lengthy rally. Analysts said both currencies were now vulnerable to a downward correction.

■ Although the pound remained fairly weak, this did not deter a rally in sterling June short sterling contract finished seven basis points firmer at 92.36.

Mr Tony Norfield, UK treasury economist at ABN AMRO

52 54 58 - Financial rate bank in London, said there

appeared to be some inflation optimism shead of the Bank of England's inflation report, which is released today. There is also an element of "catch-up" with US markets, which are now more sanguine about the inflation outlook. Mr Norfield commented: "The Bank of England argument that futures markets are

10.8070

5.3140

239.885 1.5436 1617.00

31.5960 1.7208 6.7152 158.310

132,365

+0.0375 050 - 090

+0.0375 090 - 090 +0.095 900 - 000 +0.0085 400 - 429 +0.0117 323 - 383 +0.0083 130 - 150 +0.0046 351 - 358

Europe
Austria
Belgium
Denmark
France
Germany
Greece
Ireland
Raty
Lucembourg
Netherlands
Norway
Portugal
Spain
Sweden

107.1 108.7 84.2 107.2 109.0 68.8 97.2 73.7 107.1 107.0 98.0 95.5 79.2 81.2

through.

MONEY

Money market conditions remain easy, with three month money offered at 6% per cent. the same as the base rate. In its daily operations the Bank of England supplied UK markets with £312m assistance at established rates, after forecasting a £650m shortage. It also provided £55m late assistance.

The D-Mark was weaker against most European currencies, partly reflecting dollar strength, and partly concern that a difficult wage round lies ahead. Despite some militant union rhetoric, there is scenticism among analysts as to whether unions have the muscle to drive a hard bargain. Concern that inflationary

wage settlements could force the Bundesbank towards an early tightening is thus lim-

The improvement in dollar sentiment has also taken pres-

+0.0375 050 - 090 10.8090 10.7550 10.7995 0.8 10.7797 +0.0085 900 - 000 31.8150 31.8500 31.5725 0.9 31.526 +0.0095 400 - 429 80.931 8.0194 8.0397 0.2 8.0395 +0.0117 222 - 393 4.7422 4.7178 4.7331 0.7 4.7288 +0.0083 130 - 150 5.3180 5.2910 5.3114 0.6 5.3074 +0.0046 351 - 358 1.5377 1.5277 1.5342 1.0 1.5312 +1.785 860 - 910 240.050 238.920 242.885 -15.0 247.635 - -0.002 426 - 443 1.5490 1.5412 1.5438 -0.1 1.5434 +2.7 625 - 775 1617.75 1808.50 1819.75 -2.0 1828.8 - +0.095 900 - 000 31.6150 31.4500 31.5725 0.9 31.52 +0.0044 203 - 213 1.7225 1.7129 1.7194 1.0 1.7158 +0.0142 139 - 165 8.7240 8.6870 6.711 0.8 6.7047 +0.33 260 - 380 153.460 157.140 158.865 -2.9 159.715 -

1.9937

1.3427 -1.7 7.7312 -0.2 31.45 -3.1

1,457 4.1 3,5843 -5.1 4,0125 -8.3 783,15 -4.8 26,308 -0.9

-2.9 159,715

133,185

1.4013

1.3473 -1.9

7.7322 -0.1 31.895 -4.1

99.075 3.5 98.375 4.0 2.5505 0.9 2.546 1.0 1.5862 -2.0 1.5938 -2.6

798.65

81.3

149,3

10.8090 10.7550

Beigium week ago too pessimistic about inflation sure off some European currencies. Mr Joe Prendergast, analyst at Paribas Capital Markets, said there had been an unwinding of the "considerable Italy weak ago Natherlands amount of speculative safehaven flows, especially into the D-Mark and Swiss franc." European currencies have week ago also been helped, said Mr Prenweek ago dergast, by last week's Mexi-

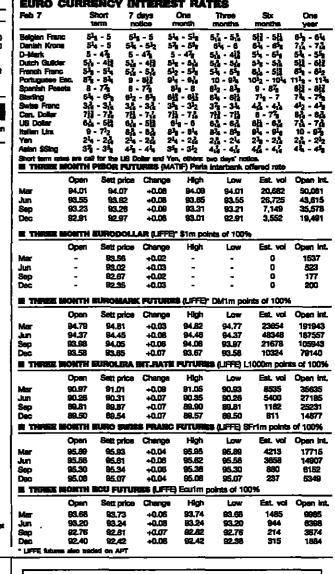
can support package, which helped defuse some of the tension in global capital markets. Against this backdrop, the peseta rallied, buoyed by comments from Mr Jordi Pujol, the Catalan leader, that Mr Felipe Gonzalez, the prime minister, could depend on his support at

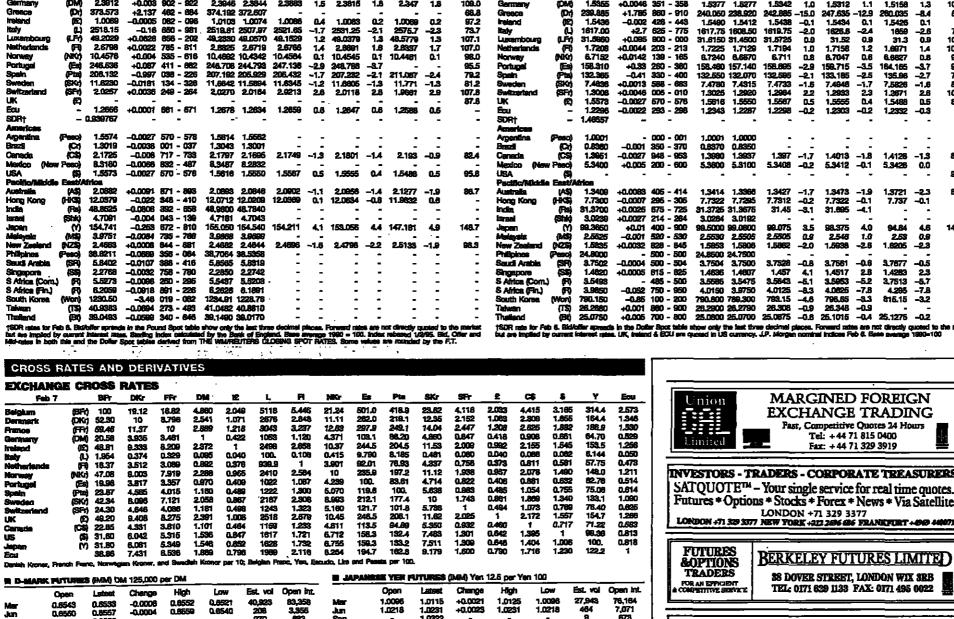
least for the following year. The peseta finished at Pta86.2, from Pta86.73.

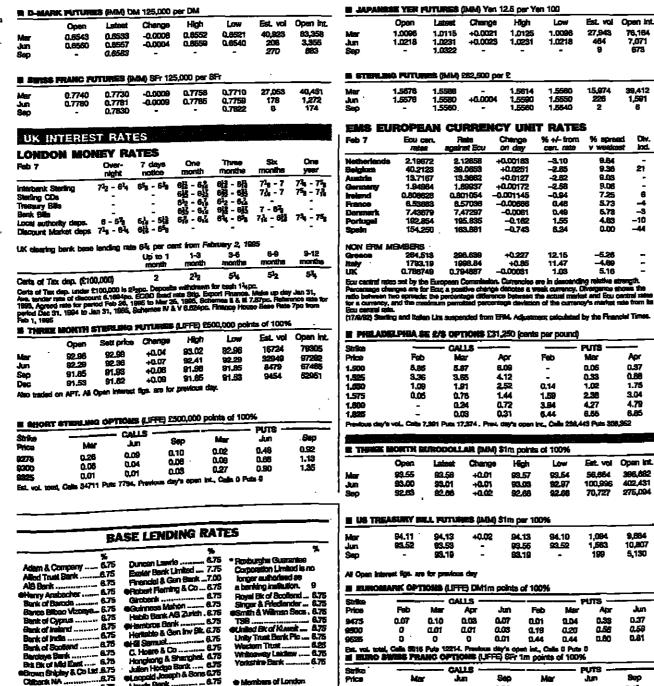
177.825 - 170.049 114.210 - 114.210 2720.00 - 2720.00 1740.08 - 1750.00 0.4557 - 0.4560 0.2891 - 0.2992 3.8193 - 3.8270 2.4550 - 2.4570 8461.20 6465.80 4140.00 - 4152.00

mths week ago # \$ LIBOR FT Los Interbenk Fixing week ago 8.04 8.10 4.812 4.812 week ago EURO CURRENCY INTEREST RATES

WORLD INTEREST RATES







All Open Interest 1991, are for previous day

9475 9500 9525

Salke Price

9575

EUROMARK OPTIONS (LIFTE) Diffin points of 100%

0.10 0.01 0

Mar

Apr 0.08 0.01 0

CALLS

0.07 0.03 0.01

0.38 0.56 0.80

0.37 0.58 0.81

8ep 0.49 0.70 0.92

0.20 0.44

Mar



MARGINED FOREIGN **EXCHANGE TRADING** Fast, Competitive Quotes 24 Hours Tel: +44 71 815 0400

Fax: +44 71 329 3919

-7.8 -3.3

INVESTORS - TRADERS - CORPORATE TREASURERS SATQUOTETM - Your single service for real time quotes. Futures * Options * Stocks * Forex * News * Via Satellite

FUTURES &OPTIONS

BERKELEY FUTURES LIMITED 88 DOVER STREET, LONDON WIX 8BB TEL: 0171 629 1133 FAX: 0171 495 0022

FOR TRADERS ON THE MOVE Watch the markets move with the screen in your pocket that receives Currency, Futures, Indices and News updates 24 hours a day. For your 7 day free trial, call Putures Pager Ltd on 071-895 9400 no FUTURES PAGER



TAX-FREE* SPECULATION IN FUTURES To obtain your free guids to how your Financial Booksunker can help you, call Michael Murray or lan Jenkas on 671-828 7233 or write to us: L.G. Index Pic, I Warwick Row, London SW1E SER

GNS FutureView
Real-time worldwide coverage of Future for Financial, Energy, Metals, FX, News,

11 Old Jewsy

Lottino RCZR, NOU

Tel: 071-865 0800 Pag: 071-972 0970

· · · · ·



also daily gold and silver faxes from Chart Analysis and Swallow Street, Lendon W1R 7HD, UK -Fax: 0171-439 4955 exchange rate specialists for over 20 years kegulated by the Remandi investment Aumoni's



TREND ANALYSIS LTD Daily Analysis & Trading Recommendations by Fax FOREX · METALS · BONDS · COMMODITIES For FREE TRIAL Phone 01962 879764 Fax 01424 774067

FUTURES & OPTIONS PHILLIP ALENANDER SECURITIES AND FUTURES LIMITED Tel: (44) 171 417 9720 Faz: (44) 171 417 9719 \$32 TURN

EXIA Real-time Technical Analysis

Software
For (01442) 878834 • For (01442) 878834 • Telegraphy Technical Analysis

SINO LAND COMPANY LIMITED (a company incorporated in Hong Kong with limited liability) US\$200,000,000 5% Convertible Bonds due 2000

(The "Bonds") NOTICE TO BONDHOLDERS

NOTICE TO BONDHOLDERS

The Directors of Sino Land Company Limited ("the Company") announced on 25 January 1995 that the spin-off of the hospitality interests would be effected by a bonus distribution of the entire issued share capital of the new hotel holding company. SINO HOTELS (HOLDINGS) LIMITED ("Sino Hotels"), to shareholders of the Company, whose names are on the register of members on 27 February 1995 in the porportion of one Sino Hotels share of HKS1.00 for every four shares in the Company.

This bonus distribution of Sino Hotels shares to shareholders whose names appear on the register of members of the Company at the close of business on 27 February 1995 will be despatched on 1 March 1995 subject to the shareholder approval at the Extraordinary General Meeting at 9,30 a.m. on 27 February 1995 at the Pacific Rooms 9/F., R.P. Hotels, 33 Canton Road, Kowloon, The register of members of the Company will be closed from 20 February 1995 to 27 February 1995, both days inclusive.

The Bond conversion price, under the terms and conditions of the Bonds, following the Bonus Share Dividend for the financial year ended 30 June 1994 was reduced from HKS6.86 to the current price of HKS6.20 effective 30 November 1994. The Bond conversion price will be further adjusted to take account of this bonus distribution of Sino Hotels shares. This further adjustment from HKS6.20 cannot be ascentained until the fair market value of the portion of the bonus distribution attributable to one share of the Company on 27 February 1995 is determined by Jardine Fleming International Inc. as an independent merchant banker. A further announcement of the new adjusted conversion price will be made on a date following 27 February 1995: Since the document introducing Sino Hotels shares on the Hong Kong Sinos the document introducing Sino Hotels shares on the Hong Kong

International Inc. as an independent merchant bankar. A further announcement of the new adjusted conversion price will be made on a date following 27 February 1995.

Since the document introducing Sino Hotels shares on the Hong Kong Stock Exchange will not be registered under any applicable securities legislation of any other jurisdiction other than Hong Kong, no distribution of Sino Hotels shares will be made to any of the Company's shareholders whose registered address at 27 February 1995 is outside Hong Kong. Arrangements will be made for the Sino Hotels shares which would otherwise have been distributed to such shareholders to be sold in the market as soon as practicable after dealings in the Sino Hotels shares commence. Any net proceeds of sale, after deduction expenses, will be distributed in Hong Kong dollars to such persons at their own risk pro rata to their respective entitlements, unless the amount folling to be distributed to any such person is less than HKS100, in which case it will be retained for the benefit of the Company or its holding Company. Tsim Sha Tsui Properties Limited, as the case may be.

Registered holders of existing Bonds who wish to exercise their conversion rights attaching to their Bonds so as to participate in the bonus distribution of Sino Hotels shares should complete and sign the conversion forms and lodge the same together with the Bond certificates to their agent on or before 15 February 1995 only if after conversion the registered address is in Hong Kong. If after conversion the registered address is in Hong Kong. If after conversion the registered address is out side Hong Kong, arrangements to receive an amount in Hong Kong dollars equal to the sale of the Sino Hotels shares will be made as described above. In accordance with Condition 5(B) of the terms and conditions of the Bonds, any lodgement between 15 February 1995 to 24 February 1995, both days inclusive, by the Bondholders will entitle them to the Equivalent Amount. The Equivalent Amount will be equal to either:

born anys inclusive, by the pordunders will be equal to either:
(a) such Sino Hotels shares as the Bondholder would have been entitled to receive had he been the Company's shareholder on 27 February 1995; or (b) if it is not possible for the Company to distribute such Sino Hotels Shares, then the Hong Kong Dollar cash equivalent.

By Order of the Board Eric Ip Sei Kwong Company Secretary Họng Kong

February 8, 1995 By: Citibank, N.A. (Issuer Services), Agent Bank

APPOINTMENTS ADVERTISING

appears in the UK edition every Wednesday & Thursday and in the International edition every Friday For further information please call;

> Andrew Skarzynski on +44 171 873 4054 Sam Morrison +44 171 873 4027 Jeanne Gerrard +44 171 873 4153:



FIICH 984 1184 442 488 228 1984 238 1984 1335 645 1435 748 225 12.2 144.4 1212.1 1212.1 1212.1 1212.1 1213.1 1213.1 1213.1 1214. 本を発わる計 | かた | かた | かまかり | トレニコ | 数をまたまない | お草 | ままさむ。

199495 hb 199495 hb 199495 hb 199495 hb 1995 h

的17年的17年的17年,17年17年,17 PHENDRO A CONSTRUCTION

THE PH

2012年10日 | 11日 |

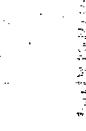
2.2 129.9 0.7
2.2 487.1 12.2
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.5 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5.7 -7.4
5

حبكنا من الاجل

| Second | S

19945 Mc Capha Mc Cap

20年間の17年間の17年では、17年にはは







FINANCIAL TIMES WEDNESDAY FEBRUARY 8 1995 INV TRUSTS SPLIT CAPITAL Pice 185 185 185 185 185 185 185 185 MKK以外部外登4、18万以《郑斯从春春》4、11644以14以《经 5146 146 102 354 384 384 384 384 138 | | 12.5445.84 | 12 | 14.1 | 14 | 1 | 15 | 1 | 1 | 14 쯦╬첉띘쯗뉡뺶빏튭뿄췙쾪닟쀨됮빏첀뚕짟궦됮똣됮췙쐒뛖궦켂뭑쳁첉쯗욻쀠빏뛖짟텧숓삊첉뽰낕빏첉캶뱮덿뚕삠똪떕됮낁놖캮횼똣콯똣덿잂냋햳쮩눥뚕묏삒쁙찞왞췙뭑뽰뱮쮚쭵퀍췙뽰뽰똣쯗봕껿쯗댬뽰뱮퍞첉찞캶찞쬁갧뱮뚕뱮똤쯗뛖똮낎쯗 줊쒖첉빏 딦딦 800 2024 5,304 70.6 7,947 8,641 813.5 243.5 94.5 94.5 180.8 507 358 105 352 109 515 515 61 774 174 September 2016

September 2016 "说是一个多年的时间就是人名 医多种性多种 "不是我们的,我也没到这里是没有一种的人们是这种人的,我们也是这种人的,我们是一个人,我们就是我们就是一个人,我们就是一个人,我们就是我们就是一个人,我们就是我们就是一个人,我们就是 WATER 123 OIL, INTEGRATED 485 Mar Capen Service ないしななななななななななななない。 Handle and the control of the contro **AMERICANS** Carcina (1,484)
(71.12)
(1,484)
(71.12)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,207)
(1,2 ANDERSON OF A CALACULAR SALES SA \$63889415337412267985716235135-2237 **CANADIANS** + or 1984 - 1654 + 51 1654 + 52 1654 + 6852 97 + 6852 97 + 72 9764 99 - 72 9764 99 - 74 1335 - 75 1335 - 76 1335 Price 2 12-12 12-2 12-2 13-2 13-3 13-3 15-3 41-1 136 up 506 20 207 up 71 133 21 13 77 u 51 p 11 p 12 p 10 8 3 - 8.5 873.0 0.8 338.4 -62.3 6.5 240.3 3.7 4137 3.9 2,618 1.1 1,634 2.8 480.7 2.5 4,045 4.1 619.3 -3,615 4.0 1,500 4.7 Tonguet-Mediat. — 17:52 — 28:8 5:38 1,000 2.1 11 Tonguet-Mediat. — 17:82 — 27:82 3:64, 69:45 1.9 2 GRANDE TO LONDON SHARE SERVICE

Prices for the London Stare Service delivered by Exhal Financial, a meraber of the Financial Times Group.

Company deservations are broad on shore used for the FT-SE Actuaries Share Indices.

Cooling mat-prices are shown in peace unless scher-wise stated. Highs a loves are based on later-day wist-prices.

Where stacks are recommended in currencies other than starting, this is indicated after the repre.

Symbole returning to dividend status appear in the notes column daily at guide to yields and PTE rabes. Oxidends and Dividend covers are published on Montay.

Method capitalisation shown is calculated separately for each fixe of stoc quoties.

Estimated price-tearnings usins are based on takes annual reports was accusants and, where nonshile, are undeted on interior signates. PTEs are calculated on mark destruction basis, cannings per share being compute on profit after baselton, excluding exceptional printin-lissoes and unrelieve and distribution and rigins.

Estimated that Asmat Values giAMMs are shown for investment Trusts, in perical per shore, single with the percentage discounts (Dist or promiums for a christend base used of 3:30 per cost and allow for value of declared distribution and rigins.

Estimated that Asmat Values giAMMs are shown for investment Trusts, in perical perical period The full controlled insentanced tracks the not all plate for installation in the FT-EF Advantage Share bediens.

Appearance by the behalds Research 1990 for 67 installation in Tet. | 1990 for 69 installation in Tet. | 1990 for yield, pie based on prospectus or other previous year's semings within estimates for the previous year's semings within estimates for the service is stable to companies whose shares are registry traded in the timbel stigned for the follow's discretion:

| FT | Free Annual Reports Service |
You can obtain the current annual/interior report of any company annotated with \$. |
Please quote the code FT4040. Ring 081-770 0770 (open 24 hours including weekends) or Fax 081-770 3822. If calling from outside the UK, ring +44 81 770 0770 or fax +44 81 770 3822. Reports will be sent the next working day, subject to availability.

FT Cityline | Up-to-the-second share prices are availability. FT Cityline service. See Monday's share price pages for details. An interrestional service is available for callers outside the UK, ansuel subscription 12250 stg. Call 071-872 4378 (+44 71 873 4378, interrestional for more information on FT Cityline.

A Company

TransAtlantic

FT MANAGED FUNDS SERVICE

1 million influential people

1 million influential people just like you read the FT every day.



A loose insert talks to them directly.

Inserting your brochure or leaflet into the FT gives you a direct line into the boardrooms of as many companies as you require, reaching top executives when they are at their most receptive. Your insert would appear solus, giving you their undivided attention.

Find out more by calling Mike or Jo on 0171 873 3362

صكذا من الاعل

Thorn E

lans I K brat

ig to cut cog

d BCE in Slm

\$ \$60 m.

og pærk, ym No. dens de un mont 10 104

y 4000

ENGLISH OF

Sing Are are ்த தான் பெரும் Jackson .

हुंक का समार James Section

秦秦 接 选 5

A Section 1 E man

growing to

sne [하 호텔 1 대급 2

- - - ·

800 10

E Em. (1 ... **∦**श्रह्म = उत्तर रहा र

Section 19 (19 A)

FT MANAGED FUNDS SERVICE Securities, Service & Clark, Inc.

Securities, S The state of the s Variant of Capital Management (Sperage) Ltd BARGAGED FORDS SECTES

Prices are to perceive whom otherwise between designated 2 with one province solve to LLS, debiens.

Prices of contain return incompanies threat plans analysis.

Prices of contain return incompanies threat plans analysis to require global but on solar.

Prices of contain return incompanies threat plans analysis to require the prices of contain return incompanies.

Prices of contain there is required to the prices of containing the return in the prices of the prices of containing the return in the original return in the return in the original return in the return in the return in the original return in the retu Control US control Control Ltd | 1873.40 | 147 | 1873.40 | 147 | 1873.40 | 147 | 1873.40 | 147 | 1873.40 | 147 | 1873.40 | 147 | 1873.40 | 147 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1873.40 | 1 51133.31 |+42.32| 1018 ASSESSIONES SA ----- (536.82 36.10| +0.46| A TOTAL Promise Lib.
Promi Movement (1980) nal Affic inc Solition Asset Management Inc.
Solition Asset Management Inc.
Solition Asset Management Inc.
Solition Asset Management Inc.
Solition Inc.
Soli commission.

Z - Province day's price.

St - Research grows.

- Yest price.

- The price of the price. = 18331.18 اللا فيصحبها أما تحفظ يات جب أما أكون أ Egger Frammung | Egger 706
Lanchard Order Ground (g)
Sunday by State Ground (g)
A Share May be 57 to 1 both 67 to 1 both 6 Professional Investment Consultages 1 +0.05] United Flamenchal Survives SA Lux
De State Lorenta Presch
Jate Jorge Flame
John Lorenta F اعصد⊸ا Grand May Seattedhed Ltd
May No. ______ England
Graystone Informational 1 +0.26 [Horth Adjustic Hamagement Co. List
Congress Story 1988
Story 1988 NYS interpretable of Proceedings of the Control of INVITATION FOR THE DECLARATION Group Des Informational Text
there is now a series of the **OF INTEREST** FOR THE PURCHASE OF THE ASSETS World Treet Partil
Stars RAV
Yamaich Advanced Technology Fami
Advanced Technology Fami
Advanced Technology Fami OF "XENODOHIAKES KAI TOURISTIKES 海門乳 | 均原 EPIHIRISEIS DIM. KARABATOS A.E." The second secon (HOTEL AND TOURISM ENTERPRISES DIM. KARABATOS S.A.). Contractors Agent Hammagement List
Colorations Agent L The second secon FIEE | 1887 - OFFSHORE The societe anonyme under the title "ASTIKA AKINITA A.E." (43 Panepistimiou street, 105 64 Athens), under the 報告 | 記録 **INSURANCES** capacity of special liquidator of the societe anonyme XENODOHIAKES KAI TOURISTIKES EPIHIRISEIS DIM. **加勒** 第 Our leasures priormetioned List Our leasures De 21 Ourse Oversone Pertoers List Ourse Oversone Feb 2 震 楚 " 星 整谱 | 北四| KARABATOS A.E." (HOTEL AND TOURISM ENTERPRISES | 2022 | 1525 | DIM. KARABATOS S.A.) with head offices in the Verga AXA Equity & Law half Life Acque Co Municipality of the province of Kalameta of the Prefecture of

Messinia and by virtue of article 46a, Law 1892/1990 which was added to the provision of article 14, Law 2000/1991 and Resolution No. 3/1995 of the Nauplion Court of Appeal.

INVITES all interested parties to declare their interest for the purchase of the total assets of the company "XENODOHIAKES KAI TOURISTIKES EPIHIRISEIS DIM. KARABATOS A.E." (HOTEL AND TOURISM ENTERPRISES DIM. KARABATOS S.A.) which was established on 30.06.1986 with the object of exploiting the hotel "ELITE" (with head offices identical to those of the company), the establishment, operation and exploitation of other Hotel and Tourism enterprises in Greece and the exercise of related projects or enterprises, by submitting within a term of twenty (20) days from the publication of the present a non-binding declaration of interest in writing.

The assets of the enterprise under liquidation are comprised of a fully equipped hotel unit located in Kalamata, Prefecture of Messinia, South Peloponnese, in the Municipality of Verga (Navarinou Street), bearing the title "ELITE".

The hotel unit consists of an A' Class hotel with a capacity of 57 rooms, 94 beds (20 single rooms, 34 double rooms and 3 double suites).

The hotel has been built on a site with a total area of approx 6,800 sq.m. and consists of a basement (770.00 sq.m.), a ground floor (998.49 sq.m.), a first storey (730.00 sq.m.), a second storey (730.00 sq.m.) and a top storey (82.00 sq.m.) plus electro-mechanical installations for the functional requirements of the tourism unit and its security (air conditioning, fire protection, kitchen, laundry, restaurant facilities, telephone switchboard, etc.).

Any interested parties wishing to declare their interest and obtain a detailed offer memorandum or additional information, are requested to apply to Mr. Georgios E. Polmenidis and Mr.

ALA Employ & Law led Life Aspect CoCROY Has Promped HA Complex and
CROY HAS PROMPED HAS 醤 糶 Research Company (Control Control Cont -8EF 點點 | #848 報報 | #888 额养 | 北雄| 對對 23 那都 1889 批選 1878 Ha 1881 FR2 -001 **#88** 27 CEEL Insurvance Co Lini
Cited Insurvance Co Li 0024 025500

America Bules I

Others intil Capital Heavy Barrier (F.E.) Lid

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1-0.001

1 Sign Life Interpretage (2014) Life Sam Life Interpretage (2014) Life Prints Posses, Carlotte Sam Life Prints Posses, Carlotte Sam Life Ad (1) 20 24 25000 Prints Lieu Ad (1) 20 24 25000 Prints Lieu Ad (1) 20 24 25000 Prints Lieu Ad (1) 20 24 2500 Prints Lieu Ad (1) 20 2500 Prints Lieu Ad ≣

- 4000

OTHER OFFSHORE FUNDS

ESS Oversome Fund Ltd

pol Jan 31 | 100 | 100 | 100 | 100 | 100 |

pol Jan 21 | 100 | 100 | 100 | 100 |

pol Jan 21 | 100 | 100 | 100 | 100 |

pol Jan 21 | 100 | 100 | 100 | 100 |

pol Jan 2 | 100 | 100 | 100 | 100 |

pol Jan 2 | 100 | 100 | 100 | 100 |

pol Jan 2 | 100 | 100 | 100 |

pol Jan 2 | 100 | 100 | 100 |

pol Jan 2 | 100 | 100 |

pol Jan 3 |

pol Jan 3 | 100 |

pol Jan 3 |

pol Jan 4 |

pol Jan 3 |

pol Jan 4 |

pol Jan 5 |

pol J

Common Asset Recognised

Chromotop Cand List

Structure Common and Common Commo

Reductors: Asset Management Asia Lin

The Committee of th

Coding Fand sta

Oryx Food Ltd

PRS International
Death Polymers
Death Polymers
Death Polymers
Death Death Death Death
Death Death Death
Death Death Death
Death Death Death
Death Death Death
Death Death
Death Death
Death Death
Death Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Death
Dea

Option Fund discomment

Spins (4 m / 2 m)

Sp

Orbits investment in 1 51025

Orbits investment inflammanment List
Orbits investment inflammanment List
Orbits investment in 1517

Crist investment in 1517

Frame of 22 that Palay Fee o Photoly R
Orbits in Palay
Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Orbits in Palay

Organ Found Ltd

But Feb b Store

PFC Internated Portfolio Fel Many Ltd

Specially Store Feb.

Store

Store

FFC Internated Portfolio Fel Many Ltd

Specially Store Feb.

Store

FFC Internated Portfolio Fel Many Ltd

FFC Internated Feb.

FFC Internated Feb.

FFT Internated Growth Front Ltd

Internated Feb.

FFTC International Ltd

Internated Feb.

FFTC International Ltd

Internated Feb.

FFTC International Ltd

All Balls Passers 6 1 81:50 1 1 5:55 PRS International

\$18.07 | +0.05

_| \$13.85 |+6.26|

Gerasimos A. Christopoulos, 43 Panepistimiou street, 105 64 Athens, tel. No. 326.6113, 326.6111, fax. No. 326.6118.

では、「「「「「」」では、「」」では、「」」では、「」」では、「」」では、「」」では、「」」では、「」」では、「」」では、「」」では、「」」では、「」」では、「」」では、「」」では、「」」では、「」

LONDON STOCK EXCHANGE

MARKET REPORT

Further gains but support falters at the close

By Terry Byland, UK Stock Market Editor

Hopes that the domestic interest rate cycle is nearing its peak continued to drive share prices ahead in London yesterday, taking the FT-SE 100-share Index to a close within four points of the January peak. However, the equity market had come back smartly from the day's highest levels after early deals on Wall Street had shown the Dow Average turning away from challenging its own all-time reak.

The UK December industrial production data, showing a monthly rise of 0.8 per cent, were regarded as confirming that economic growth

is slowing, and thus reducing pressures for further increases in base rates. Equities, which had been firm but uncertain at first, began to move higher, encouraged by gains in gilts and in other European bond markets. "The strength of gilts is the key to the rise in equities," commented one leading trader.
At best, the market was nearly 25

points up on the Footsie scale. drawing renewed strength at midsession from a buying programme. But when the US markets opened, profit-takers appeared from New

The final reading put the FT-SE 100 at 3,072.7 for an advance on the day of 10.7. Trading in the stock

index futures contracts set the pace for underlying equities. The broader market again found support, the FT-SE Mid 250 Index putting on 11.3 points for a final 3,407.1.

The overall picture masked sharp movements in particular sectors. Brewery shares fell heavily after the Office of Fair Trading said it would examine differences between wholesale beer prices charged to brewers' tied and also independent customers. This could threaten some brewing profits and there were widespread falls in the big

Although views were evenly divided on whether or not the Trafalgar House bid for Northern go through, but Wellcome still has more this cycle.

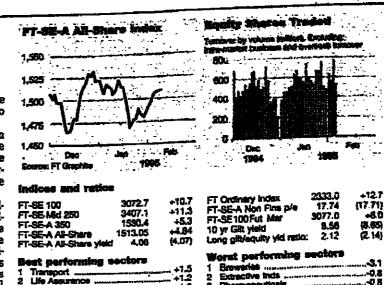
Electric will be put before the UK monopolles authorities, speculation reigned among the regional electricity issues. However, profit-taking from US houses cut into early gains.

Good profits from Glazo were upstaged by its publication of the formal offer document in connection with its \$9bn-plus bid for Wellcome. Both shares eased as the clock began to tick for the threeweek period before the bid must become operative; the European Commission's amouncement that it was reviewing any monopoly implications of the hid plan gave further reason for caution. On balance, the stock market believes the bid will

three weeks to find a "white knight" or persuade Glazo to increase its terms.

Seaq volume rose to 570.1m shares from Monday's 420.8m, while the retail, or customer, value of the previous session, at £1.3bn, under-lined the weight of money available

to the equity market.
One of the London market's leading agency brokers joined the bullish party yesterday, supporting the view that equities may be on the brink of a sharp rise. However, optimism was checked in late dealings by predictions from US economists that the Federal Reserve may still raise interest rates at least once



Brewers hit by

The market spotlight fell on the drinks sector as brewing stocks tumbled after the UK Office of Fair Trading (OFT) launched an inquiry into wholesale beer prices. The investigation centres on the different prices charged by

The announcement took the market by surprise and found many analysts in the sector away on a trip to Vaux, the north-east England brewer. Available sector specialists said they would be downgrading profits expectations as the impact of the enquiry may reduce profits by between 1.5 and 5 per cent among the lead-

brewers to their tied public

houses and to (untied) free

ing companies. Among individual stocks. Whitbread was by far the day's biggest casualty, diving 28 to 536p in a heavy 4.5m shares traded. The group has the biggest number of tled public houses and specialists were predicting that the investigation could lead to a 5 per cent fall in profits.

Bass declined 20 to 520p on volume of 6.6m, Scottish & Newcastle 12 to 497p, Allied Domecq 5 to 515p and Vaux 3

A specialist said: "This enquiry questions tied tenancies among public houses and could lead to a sell-off of many pubs."

Looking at the sector's pros-

pects in the short term, Mrs Julie Bower at Hoare Govett commented: "It is difficult to see any upside among these stocks as this investigation

Shares in Grand Metropolitan improved 6 to 381p after the European Commission said it had suspended its review into the hotels and drinks group's beer supply joint venture pending the OFI's invest-

Glaxo weakens

Pharmaceuticals leader Glaxo slid 12 to 649p as it finally came up with its offer terms for Wellcome along with its first-half figures.

The company posted a 10 per cent profits increase to £1.1hn, but the figure was anticipated and one analyst said that in earnings per share terms there was no growth at all. The results meeting was described as uninspiring and the shares declined in response to what a dealer called the "After the Lord Mayor's Show effect". Also, sales of Zantac, the company's best selling product, fell 4 per cent.

Finally, there was concern that the European Commission was seeking comments on the Glaxo offer, although a number of analysts said the announcement was standard. Wellcome ended 7 down at 1011p.
Instruments group Meggitt

turned in the day's second best share price performance as takeover hopes led to a 9% bounce to 73p following news that diversified industrial T Group had taken a 4 per cer stake.

Led by former Hanson exec tive Nick Shipp, TT is be known as a strategic stake hit other recs. "The speculabuyer rather than a takeover specialist. Its market capitalisation of 1260m - just 1100m more than Meggitt - suggested to Nomura Securities that any outright bid would need rights issue financing. TT relin-

quished 4 at 234p.
The regional electricity stocks (recs) staged another broad advance as dealers positioned themselves and their clients for an expected statement before the end of the week from Mr Michael Heseltine, President of the Board of Trade, regarding a possible Monopolies and Mergers Com-mission referral of the Trafalgar House bid for Northern

Utilities specialists insisted yesterday that the odds remained marginally in favour of a referral, a move which it was thought could trigger a slide of possibly 5 per cent in the Northern share price and

tors would fall over themselves to get out if that were the ," said one analyst. But he took the view that any setback would be shortlived. "There is a long queue of institutional buyers below current market prices," he added. The recs mostly closed well

below the day's best levels, reflecting a burst of US selling in mid-afternoon. Northern was the most heavily traded and finished only a fraction ahead at 956p as the MMC referral story gathered momentum; turnover reached 3m

Yorkshire Blectricity touched 804p before closing a net 21 up at 794p, South Western gained the same amount at 783p, South Wales rose 19 to 785p and Seeboard advanced 13 to 413p.

The action continued in Lasmo, which finished unaltered at 156p after another

FINANCIAL TIMES EQUITY INDICES

	reu /		Len a	TOU 2	Len I	11 año	Lafet	LUN
Ordinary Share	2353.0	2320.3	2319.8	2303.3	2288.4	2641.9	2713,5	2238.3
Ord. div. yield	4.51	4.52	4.51	4.54	4.57	3.51	4.86	8,43
Earn. yld. % tus	8.65	6.64	6.63	6.65	6.70	3.97	6.84	3.82
P/E ratio net	17.85	17,85	17.90	17.81	17.67	31.78	33,43	16.91
P/E ratio rd	16.63	16.93	16.97	16.86	16,74	29,44	30.80	16.37
"For 1984/5. Ordinary Share Index since complision: high 2713.8 2/02/94; low 49.4 26/6440 FT Ordinary Share Index base data 1/7/35.								
Ordinary Share hourly changes								

Open 9.00	10.00	11.00	12,00	13.00	14.00	15.00	16.00	High	Low
2324.2 2325.6 2	2331.7	2338.5	2332.9	2335.3	2340.3	2337.9	2332.9	2341.4	2324.2
		Feb 7	Fel	5 6	Feb 3	Feb	2 F	eb 1	Yr ago
SEAQ bargains		23,98	2 23	,169	21,316	19,8	42 2	20,707	41,169
Equity turnover (£)	mit	-	- 13	30.6	2276.8	144	7.8 1	613.6	2083.7
Equity bargainst			- 32	,588	31,175	26,3	67 2	7,445	48,271
Shares traded (mi	17		- 5	68.5	779.3	58	1.1	625.1	8,998

mt	Rises and talks*		1994/95 Highs	and lows'	LIFFE Equity optic	ns	
	Total Rises Total Falls	779	Total Highs		Total contracts	37,95	
cu-	Same	1,815	Total Lows	* 95	Calls Puts	15,19 22,76	
est	Feb. 7 "Data based on those companies listed on the London Share Service.						

broadcaster, rose 7 to 5970. busy session that saw turnover reach 6.4m shares. Some bro-Granada, another stakeholder, kers are convinced that Enterput on 5 at 504p. prise Oil's 9.8 per cent stake will be the catalyst for a chain Selected media stocks responded to a hefty review of

Smith, a big industrial disposal

could shortly be ready for com-

pletion, possibly in time for

as 20 per cent undervalued.

4.3m turnover.

expectations

year profits expectations.

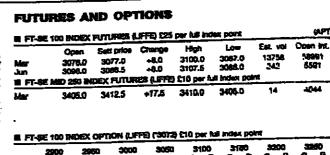
next month's results. The secu-

of big moves in the exploration the sector by Panmure Gordon. The house chose as its key Vague hints yesterday buys Daily Mail & General Trust, which rose 15 to 1080p in the "A"s, and Reed Internasuggested that Enterprise may be about to sell its Lasmo holding to Arco, the US group, who tional, 4 higher at 749p. Environmental services comwould then bid for Lasmo. Enterprise, so the story goes

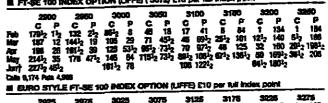
pany Waste Management tum-bled 62 to 345p, the biggest sigon, would then launch a bid for an overseas exploration nificant fall in the London company. Maxus, of the US, is market, following a profits seen as the favoured target, folwarning. lowed by Union Texas, and Bank note printer De La Rue Ampolex, the Australian

jumped 23 to 1032p as a result of technical position taking surrounding the company's agreed bid for Portals. The lat-GKN jumped 13 to 569p in modest 1.6m turnover following a note from Smith New ter's shares rose 12 to 1081p. Court focusing on the stock's declining dependence on cycli-cal businesses. According to

MARKET REPORTERS: Steve Thompson, Peter John, Joel Kibazo



Consumer Goods



TRADING VOLUME

Major Stocks Yesterday

Vol. Closing Day's 000s pice change

2027 2076 3025 3075 3125 3176 3225 3275 1842 2 1072 42 84 1112 30 27 912 55 2 99 1 147 1 197 1832 1212 122 21 8612 3412 3812 5412 34 814 1872 11512 8 155 312 200 17712 31 141 44 160 8112 8212 84 80 111 8212 1421 1212 17812 18 218 2132 5512 148 89 114 144 158 10712 2112 2112 2117 184 18 18 18712 185 18712 185 186 114 144 158 10712 2112

Jeffrey Brown.

rities house sees GKN shares LONDON RECENT ISSUES: EQUITIES price paid cap price paid cap p up (2m.) Tentative bid talk led to a 5 Net Div. Grs P/E div. cov. yld net rise to 162p at T&N, which has recovered from a recent low of 140p. Not all analysts saw the group as a takeover candidate but there was enough excit-



services sector.

The competition is open to any professional services organisation worldwide, ie. accountants, lawyers, surveyors, management consultants etc. The only condition is that the subject of the entry, whether campaign, new product or new service, must have been substantially launched during 1994.

 Best overall marketing campaign Financial Times

 Best PR initiative Citigate

 The Personality of the Year Award professional marketing magazine Prize: Lifetime subscription

These are the only major awards to recognise marketing excellence within the professional

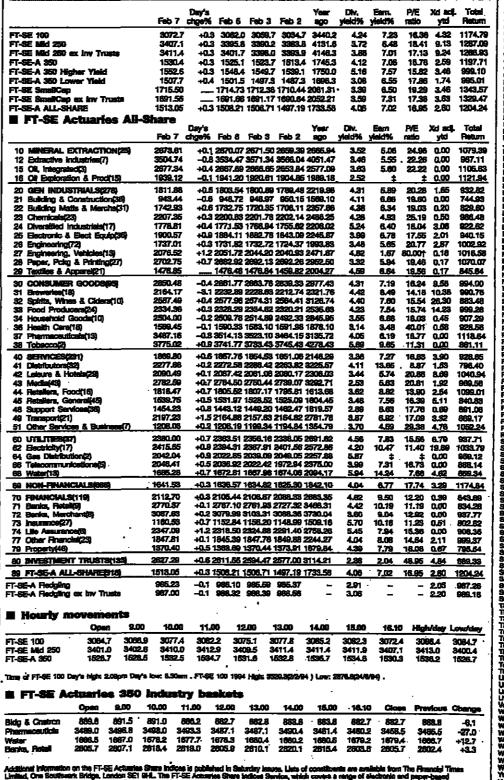
Winners of the Awards will receive highly desirable prizes:

Colour advertisement in the Financial Times

 Most innovative use of a marketing database Unitrac Software Corporation Prize: Unitrac sales and marketing software

In addition to the prizes listed above, winners and shortlisted firms

ANNU	DS The Award known me April 1995	ntitled to use the prestigious Awards logo on their y. rds will be presented at a special dinner, hosted by a well redia personality, taking place in London on Thursday 20th 5 as part of Marketing Professional Services '95, the major international congress.			
Please tick relevant boxes:	All entries	must be submitted by 24th	h March 1995. il marketing Annual Awards		
_		1773 F Liprojessione	II Man wearing with man as		
Please send me details about Please send me details about Please send me details about	t the Congress	job Tide	·		
Please complete and recurs to: Professional Marketing International, 99 Gresham Street, London ECZV 7PH Tel: 0171 600 3335 Fzc; 0171 229 6543 The information you provide will be hald by us and may be used to keep you informed		Address	Cty		
		Post Code	Country		



276 16,000 1,300 3,200 248 8,000 2,300 1,100 457 1,900 4,500 6,000 4,75 682 9,500 787 ment yesterday to generate Among retailing stocks, MFI Furniture declined 3 to 121p on 6.200 1.200 talk that several brokers were about to downgrade profits Favourable comment from several brokers saw Marks and Spencer move up 7 to 395½p. Profit-taking brought leisure FT GOLD MINES INDEX group Thorn EMI down 12 to Feb % ctty Feb Feb Year Gross dir 6 on day , 3 2 aga yield % 1037p after it reported a favourable increase in profits for the nine months to December 1994. 1882.32 -8.8 1785.83 1715.27 2167.36 2.36 2337.90 1637.81 m Realocal Indices Several brokers indicated that Abita (16) 2583.81 2530.31 2966.83 1960.72 2004.82 2589.23 5.25 0.85 they would be upgrading full-1966.36 +0.3 locits Acom 1380.86 +0.1 1379.75 1403.70 1858.18 0.82 Satellite broadcaster BSkvB Copyright, The Prescriet Times Limited 1995.
Figures in brackets show rember of companies. Basis US Dollars. Blase Values; 1000.00 31/12/92.
Predictionary Gold Mines Index; Feb 7: 196.7; day's change: -4.7 Year ago: 216.2 † Partial,
Latest pricts were unmittable for this edition. gained 4 at 268p after reporting Disons
Eastern Elect,
East Alighand |
Electrocomps
Eng Ghira Cle
Ensection Off a 46 per cent rise in first-half profits. Pearson, which retains a significant stake in the FT - SE Actuaries Share indices The UK Set \$200 띘똣휞쒖줨맭췱幸둱ӷ똣똣묏맔뉡됮뚌윭컜뺭됮뢌븼빏뮵숓똣뽰똣궦쒖춖쯗괡퍝줥컜뚕뚕똣럑웝됈뇈쳗똤뫮캶됮쒖쮩첉쒖캶듔똣펻잌궦쒖댬뛼쾼쿿뱮똣냋궦쀼똣찞뙲쾼찞찞똣냋쒖똿뇠쇚녎æ뮵놽뻍왞뛖밁뛼뛢꺴뽰냋묏뚿똣삊

FINANCIAL TIMES WEDNESDAY FEBRUARY 8 1995 ★	
CIDODS FRANCE (Feb 7 / Sex) +/- Black Low Yor P.E. +/- Black Low Yor P.E. +/- Black Low Yor P.E.	
WORLD STOCK MARKETS BROCK SERVICE SE	
Satema 216 -2 256 175 2.8 — Hydrid 332.50 -4.45 56.50 34.50 57 — House 102.71 — Satema 127 — 194.50 175 1.5 — Hydrid 32.50 -4.45 56.50 34.50 57 — Hydrid 5.500 — 7.500 500 — Whenth 102.71 +4.60 127 95 — Satema 168 — 17.21 132 1.9 — House 25.40 — House 5.500 — 7.500 500 —	1,000 +20 1,200 e85 12 Heast 3-22 4 5 2.00 105488 hattist 5-1 5-1 5-1 5-1 5-1 5-1 5-1 5-1 5-1 5-1
7 6 3 High Low 7 6 3 High Low 19945 Snor complication Victorials Argentina 6 3 2 High Low High Low Victorials Contract (2972777) 46 15134.03 15206.61 25478.40 18254 13836.48 107.65 Topic (47168) 1463.35 1455.30 1449.38 1712.73 13694 13808.08 297.65 Indeed talks 257.73 3028.64 3878.77 3978.38 3583.35 3978.36 41.22 Victorials 257.78 13695 136	907
Miningstration 1940.8 1862.9 1847.7 2940.80 37294 1850.08 371795 Miningstration 1940.8 1862.9 1847.8 55.51 85.51 185.81 85.58 1862.77 54.89 (1870.08 1	WingTal 2.20 -10 3.25 1.98 - 7.0 Amigoal 337 -6 506 322 4.0 - 7.0 Amigoal 327 -6 506 322 4.0 - 7.0
Particular Medical Color 1971.90 97.	255 -12 5.55 2.50 1.1
Table 5 (47.83) (47.83	198 - 407 248 1.88 200 PoleS 57.200 + 400 \$1.200 4.500 - 500 825 - 501 14.25 7.25 & 11 - 150 4.50 - 10.00 1.200 1.000 1.
### Comp. 251.75 250.44 257.18 267.77 243.14 257.77 243.14	180 + 48 150 1140 51 29.5 180 + 48 150 1140 51 29.5 180 + 48 150 1140 51 29.5 180 + 48 150 1140 51 29.5 180 + 48 150 1140 51 29.5 180 + 48 150 1140 51 29.5 180 + 48 150 1140 1140 1140 1140 1140 1140 1140
F 250 (51/1/290) 1272-90 1272-91 1215-41 1588-20 2/284 117842 22/455 South Korea	
TX (50/1287)T 2022-95 2088-95 2057-95 2271.11 186794 1988.95 770794 Afternoonshiften (1/2/37) 1549.85 1590.25 1868.95 31/164 1334.75 67764 Feb 1 Jan 25 Jan 15 Very non-	7.79 + 12 8.86 8.30 8.8
NAME OF THE PARTY	17307 1.40 0.02 27 0.9 Advant 1
dis	40 -10 11 70 420 15 362 Sentra 380 560 500 305 — Prentie 5 -35 775 470 33 — 00 10 10 10 10 10 10 10 10 10 10 10 10
Married Capitals 1989; 2537-9.8 25890.0 25453.2 2016.510 2/1284 12889.70 2/1284 12889.70 2/1284 1388.200 51% +14 Married 277.98 385.782 269.977 Married 2.78 Marrie	105 - 106 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
1 Section 1 1 1 1 1 1 1 1 1	50 - 22 7.50 4.67 2.8 105 107 (Feb 7 / Can S) Subrew 90 - 2.75 105 105 107 107 107 107 107 107 107 107 107 107
Pentant 1.54 Pentant 1.54 Pentant 1.55 Open Letest Change High Low Est, vol. Open int. Open SettPrice Change High Low Est, vol. Open int. Pending 2.56 Open SettPrice Change High Low Est, vol	2 - O1 2.15 1.26 - 211015 Abbts 157 189 16 17 17 189 189 18 189 18 189 189 189 189 189 1
CAC-40 Pube 5	
1886.0 1876.0 -2.0 1890.0 1874.0 19.325 22.885 Fab. 1195.75 1189.50 -4.50 1197.00 1188.00 5.058 20.204 km 487.30 +0.65 487.30 487.30 772 16.241 Profess 133 1894.0 -1.5 1884.0 4.55 22.857 May 1196.00 1195.00 -2.50 1196.00 1194.50 170 1.340 May 1880.00 487.30 487.30 487.30 487.30 487.30 772 16.241 Profess 133 1894.0 10.5 1894.0 10	1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1

The Future's History.

The largest provider of dedicated financial paging worldwide, Hutchison Telecom, brings you Pulse. With more features and in-depth information than anyone else, it really is the







NEW YORK STOCK EXCHANGE COMPOSITE PRICES

127g 147g Augst 127g 147g Augst 127g 177g Augst 2014g 137g Augst 19 63g Augst 19 64g Augst 19 64

Here the second set of the second second set of the second second second set of the second secon

47₆ 25₉ FM insur 181₉ 125₉ FT Dearbn 185₉ 115₉ FabriCest 381₆ 351₂ Frchild 3. 8 61₉ Facestel 217₈ 65₉ Facesh loc

8 8 Figs Drug
272 47 Fed His Lis
354 444, FortPELSF3
261-2 195-6 Fed Rily
854 544, FortPELSF3
261-2 195-6 Fed Rily
854 53-7 Fed Rily
854 53-7 Fed Rily
854 53-7 Fed Rily
854 53-7 Fed Rily
852 201-6 Fed Rily
852 201-6 Fed Rily
852 201-6 Fed Rily
853 21-7 Fed Rily
854 11-7 Fed Rily
855 21-7 Fed Rily
855 201-7 Fed Rily
855 201-7 Fed Rily
855 201-7 Fed Rily
855 21-7 Fed Rily

474 33 SPHARPA
32 414 SPHARPS
32 114 SPHARPS
33 114 SPHARPS
34 124 SPHARPS
34 124 SPHARPS
34 124 SPHARPS
35 124 SPHARPS
35 124 SPHARPS
36 124 SPHARPS
36 124 SPHARPS
36 124 SPHARPS
37 124 SPHARPS
36 124 SPHARPS
37 124 SPHARPS
37 124 SPHARPS
38 124 SPHARPS
39 SPHARPS
39 SPHARPS
39 SPHARPS
31 SPHARPS
31

NEW YORK STOCK EXCHANGE AND A CONTROL OF THE PROPERTY OF THE P

201 | December 19 | 0.00 | 2.1 | a 1000 | 2.5 | a 1

| 17% | Calculation | 12% | 15% | 17% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 | 1-2 8 63, R.R. 180
274, 195, R.R. 180
274, 195, R.R. 180
274, 195, R.R. 180
275, 195, R.R. 180
277, 195, R.R. 18

مكذا س الاحل

4 pm clase February 7

	FINANCIAL TIMES WEDNESDAY FEBRUARY 8 1995 *	
i ali 🏋 -	NYSE COMPOSITE PRICES	NA OD A O THE
	1984/PE TILL NV Str. Charge Comps. High Low Street. Dir V. E. 1985 Heat Low Treet. 1994/PE Treet. Charge	MASDAQ NATIONAL MARKET 4 PRO CONSTRU
2 1 1 2 2 3 3 3 3 3 3 3 4 4 5 3 3 4 5 5 5 5 5 5 5	The second secon	The control of the co
Shock Adv Megn Alia bid An Megn Alia bid Bid An Megn Bid	THE CORP OF LIFE 100 S 1910 25 0 1 25 1 25 1 25 1 25 1 25 1 25 1	Sample 20 12 77 11 11 01 01 71 13 13 14 15 15 15 16 16 17 17 17 17 17 17 18 18 19 18 18 18 18 18 18 18 18 18 18 18 18 18
Hand	I ave your Financial Times. World Business Newspaper. Common Com	17 434 2012 20 2014 1 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1

| Process | Proc - R -5 304 u12 11½ 11½ +½

- M
0.16 16 569 333 32½ 33½
0.72 10 106 16½ 15½ 18 ½
0.32512 237 u17½ 17 17
0.20 16 371 12½ 12 12½
25 567 34½ 34½ 3½
227 10 693 934 52
227 10 693 934 52
30 3169 u27½ 23½ 21½ 3½
227 10 693 934 52
30 3169 u27½ 23½ 21½ 5½
7 6619 5½ 5½ 5½ 5½
7 6619 5½ 5½ 5½ 5½
11 43 85 8½ 85 85 1½
11 43 85 8½ 85 85 1½
11 44 4½ 4¼ 4¼
31 144 4¼ 4¼ 4¼ 4¼
31 144 4¼ 4¼ 4¼ 4¼
31 144 4¼ 4¼ 4¼ 4¼
31 144 4¼ 4¼ 4¼ 4¼
31 144 4¼ 4¼ 4¼ 4¼
31 144 4¼ 4¼ 4¼ 4¼
31 144 4¼ 4¼ 4¼ 4¼
31 144 4¼ 4¼ 4¼ 4¼
31 144 4¼ 4¼ 4¼ 4¼
31 144 6½ 4½ 4½ 4½
31 145 8½ 85 5½ 5½
1½ 5½ 5½ 5½ 5½
1½
10 60 23 59 75 7½ 55½ 5½
1½
10 60 23 59 75 7½ 55½
1½
10 60 23 59 75 7½ 55½
1½
10 60 23 59 75 7½
10 60 53 54 5½ 5½
1½
10 60 23 59 75 7½
10 60 53 5½
10 60 18 3124 42½ 4½
12 66 19¼ 18½ 19½
12 68 19¼ 18½ 19 ±½
13 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19¼ 20½ 5½
10 68 286 20¼ 19½ 20½ 5½
10 68 286 20¼ 19½ 20½ 5½
10 68 286 20¼ 19½ 20½ 5½
10 68 286 20¼ 19½ 20½ 5½
10 68 286 20¼ 19½ 20½ 5½
10 68 286 20¼ 19½ 20½ 5½
10 68 286 20¼ 19½ 20½ 5½
10 68 286 20¼ 19½ 20½ 5½
10 68 286 20¼ 19½ 20½ 5½
10 68 286 20¼ 19½ 20½ 5½
10 68 286 20¼ 19½ 20½ 5½
10 68 286 20¼ 19½ 20½ 5½
10 68 286 20¼ 19½ 20½ 5½
10 68 286 20¼ 19½ 20½ 5½
10 68 286 20¼ 19½ 20½ 5½
10 68 286 20¼ 19½ 20½ 5½
10 68 286 20¼ 19½ 20½ 5½
10 68 286 20¼ 19½ 20½ 5½ - U -

- '

- i,

State of the state of

The state of the s

7;

i quar

TAR STATE OF THE PARTY OF THE P

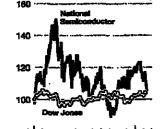
profit-taking as Dow slips

Wali Street

US shares were mostly off modestly yesterday morning in spite of positive economic news and an indication that the Federal Reserve might hold off from more monetary tightening, writes Lisa Bransten in New York

At 1 pm the Dow Jones Industrial Average was off 4.71 at 3,933.02. The Standard & Poor's 500 lost 0.72 at 480.42, and the American Stock Exchange composite rose 0.10 to 443.22. The Nasdag composite shed 0.62 to 778.23. Volume on the NYSE was 191m shares. The market brushed off data that showed strong productiv-

National Semiconductor Share price and Index rebased



ing to the Labor Department, non-farm productivity rose 2.2 per cent last year against L5 per cent in 1993. Gains were also stronger than expected for the fourth quarter of last year. The increase was 1.8 per cent compared with expectations closer to 1.5 per cent.

Productivity gains helped keep labour costs low in spite of rising employment. Unit labour costs rose only 0.9 per cent last year, compared with a 1.7 per cent increase in 1993. Also ignored by the market were comments by Mr John LaWare, a member of the Fed's Board of Governors, indicating that the central bank would be cautious about more monetary tightening until it could measure the effects of the seven interest rate increases since

erally bad for the market because it tends to erode corporate profits by deterring con-sumption and making borrow-

Several rating changes by securities houses hurt individual share prices. National Semiconductor lost more than 8 per cent of its value, falling \$1½ at \$16% after a PaineWebber analyst lowered his rating on the company from "buy" to "neu-tral". Columbia/HCA Healthcare shed \$2 at \$40% after a Goldman Sachs analyst took the company off its priority list and downgraded it to "moder-

ate outperform." In earnings news, market reaction was mixed for several companies that reported stronger-than-expected fourth quarter results. Time Warner rose \$1% at \$38% after the communications group reported net compared with expectations of 1 cent per share.

PepsiCo lost \$% at \$38% after the food and drink company also beat income projections of 63 cents per share by just 1 cent. Allied Signal fell \$% at \$37% after exceeding projections by 2 cents a share and reporting earnings of 73 cents a share versus forecasts of 71 cents. Both Allied Signal and PepsiCo had risen in recent trading so the shares may have declined on profit-taking.

Gerrity Oil & Gas was unchanged at \$2% after reporting a greater-than-expected loss for the fourth quarter. The company reported a loss of 22 cents per share, while analysts had only expected a loss of 18 cents per share.

Toronto was weak in quiet midday trading and the TSE 300 Composite index was 14.81 lower at 4.104.97 in low volume of 15.27m shares.

Of Toronto's 14 sub-indices, 11 posted losses, led by declines in precious metals, media and banking stocks. Against the trend, Canfor rose C\$% to C\$17% after its hostile takeover bid for Slocan Forest Products failed, Slocan

Auction aids Mexico

Expectations that interest rates for Mexican Tesobonos and Cetes would drop at yesterday's weekly auction sparked speculative buying in the equity market. By late morning the IPC index was 22.65 or 1.2 per cent higher at

In the event, returns on the benchmark 91-day Tesobono issue dropped by 9.58 per centage points from a fortnight ago to 15.40 per cent and total demand was \$550.4m, more than double the \$240m offered

by the central bank. Last week's sale was

scrapped after President Bill

Clinton announced the \$47bn international aid package for Mexico which, said the government, will go towards paying

off maturing Tesobonos. SAO PAULO was sharply lower as some investors' hopes were dashed by a local newspaper report that the government was not planning to privatise the state telecoms company Telebras and its subsidiaries such as Telesp. By late morning the Bovespa index was 1,335 or 3.4 per cent weaker at 36,963, as Telebras preferred fell 4.9 per cent to R\$31.10 and Telesp preferred by 3.8 per cent to R\$99.99.

S Africa on downward path

Johannesburg took a downward path in response to a weak futures market, a firm financial rand and a directionless gold bullion price. The overall index fell 119.3 to 5,213.4, industrials shed 96.2 to 6,448.4 and golds tumbled 65.8 or 4.1 per cent to 1,536.2. De Beers declined R2.25 to

The World Index (2252).......172.08

Copyrigits, The Financial Tense Limited, Goldman, Suchs and Co. and NatiWest Securities Limited. 1959 Limits orices were presentable for this addition. New Zesterd market closed 8/2/95.

FT-ACTUARIES WORLD INDICES

R84, Anglos dropped R7.50 to R193.50 and Barlows finished R1.50 off at R34.

Freegold weakened R3.25 to R48, Western Areas fell R4 to R51 and Vaal Reefs slid R15 to R285. SAB dipped R2.75 to R90. Richemont was down R1.50 at R37 and Gencor lost

Suggestion of Punishment meted out to metals industry stocks

The gentle way that bourses approached consolidation or profit-taking yesterday was belied by the punishment meted out to metals industry stocks after Monday's commodity market losses, writes Our

PARIS blamed profit-taking for a slight fall in the CAC 40 index, 1.67 lower at 1.870.44 in turnover of FFr4.21bn, but it also fielded a number of stories which moved shares more powerfully in both directions. Canal Plus, the television group, gained FFr17 or 2.2 per

cent at FFr804 on a 10 per cent rise in revenue, and a 14 per cent sales increase took Peugeot, the carmaker, up FFr17 or 2.4 per cent to FF1730. Accor. the hotels group, rose FF114 to FF7575 on an estimate of nearly doubled operating profits for 1994. On the downside, the tumble

in aluminium prices took Pechiney's investment certificates FFr11 lower to FFr362; and allegations of a second covert payment to France's ruling coalition Republican party left Alcatel Alsthom off FF76.70 at FFr465.80. ZURICH edged higher on a

day dominated by investors switching from cyclical stocks into recently neglected banks and insurers. The SMI index

FT-SE Actuaries Share India THE EUROPEAN SERIES Open 10.30 11.00 12.00 13.00 14.00 15.00 Case FT-SE Eurobrack 100 1339.35 1339.71 1340.83 1341.33 1340.97 1341.54 1340.97 1340.47 FT-SE Burotenok 200 1386.91 1397.08 1387.21 1387.49 1387.88 1387.87 1365.21 1387.72 Fab 3 Feb 1 Jan 31 Feb 2 1338.26 1324.25 1312.88 1313.47 1395.17

rose 6.6 to 2,628.0, with trade confined to blue chips which, dealers said, indicated that forelen investors had returned to Alusuisse slid SFr12 to

SFr644, taking its lead from US aluminium stocks which were

under pressure on Monday. UBS bearers climbed SFr12 to SFr1,049 and CS Holding rose SFr9 to SFr647. Zurich Insurance, recommended by Credit Suisse, was SFr13 higher at SFr1,211 and Swiss Re gained SFr5 at SFr750. Bank Sal Oppenheim noted that Swiss Re's exposure to the Jap-anese earthquake was a modest SFr150m. However, the enormous dimensions of the disaster would compel the Japanese, currently underinsured against earthquake hazards, to

reconsider their requirements

"This will be to the benefit of Swiss Re, which will shortly renew its premiums in Japan."

Among the cyclicals, Brown Boveri fell SFr13 to SFr1,117. SMH picked up another SFr13 to SFr633 in continued response to analysts' comnts that it had become one of the cheapest consumer stocks in the market. AMSTERDAM was boosted

orders taking it down F12.30 to Fl 75.60. The paper group KNP BT retreated FL 1.80 or 3.3 per

after hours on Monday. the gains it picked up mostly last Friday, the Dax index ris-

by a stronger dollar and gains in bond prices, in spite of individual weakness in metals and in papermaking. The ARX index finished 0.71 firmer at In metals, Hoogovens led a decline in cyclicals, large sell

cent to F152.10 in very active trade, heavy profit-taking following the recovery disclosed FRANKFURT consolidated

ing 2.80 to 2,092.49 on the ses-

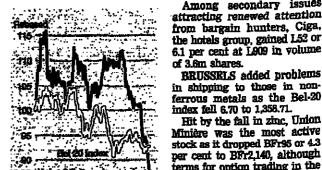
post bourse, as German stock market turnover crept up from DM6.2bn to DM6.25bn Volkswagen had its third

strong day in succession and closed the afternoon DM9.40 higher at DM406.40, recovering from an earlier succes falls and reacting to buy recommendations, including one from NatWest Securities which upgraded VW from a strong hold to a buy last week; NatWest also raised its 1995 earnings estimates for VW from DM25 to DM28.60, and for

1996 from DM42 to DM47.20. There were no obvious reac tions to the drop in commodity prices. Metallgesellschaft was steady after hours, closing DM1 higher at DM133 after its announcement of an operating profit in the first quarter to December, Meanwhile, Schering, the pharmaceuticals group, saw profit-taking after net profit and sales figures up 12 per cent for 1994, the shares falling DM7.50 to DM1.102.50.

MILAN was given a late boost by renewed interest in insurers after the government announced that pension funds' munity from a 15 per cent withholding tax would continue until July.
The Comit index dipped 3.90

676.47, while the real-time



Mibtel index finished 67 ahead at a day's high of 10,883, up from a low of 10,759. Pension the withholding tax since 1993, in an effort to encourage the development of private pensions, but the suspension was due to have expired at the end of this month.

Generali advanced L576 to L39,670, RAS was L502 higher at L18,100 and Toro gained L419 at L26.673. Other blue chips were heavily influenced by the expiry of options contracts on Friday. Flat receded L30 to L6,581 and Telecom Italia was

terms for option trading in the stock and the general attitude of investment funds were also advanced by dealers in expla-nation of yesterday's fall. In shipping, CMB slipped BFr140 to BFr2,380 as dealers said its 1994 earnings estimates were below expectations.

MADRID's general index came off late in the day, closing 1.17 lower at 288.91. Asturiana, noted for its strong correlation to the zinc price, dropped Pta55 or 3.8 per cent to

attracting renewed attention

from bargain hunters, Ciga,

BRUSSELS added problems

Hit by the fall in zinc, Union

Minière was the most active

stock as it dropped BFr95 or 4.3

per cent to BFr2,140, although

in shipping to those in non-ferrous metals as the Bel-20

index fell 6.70 to 1,358.71.

of 3.6m shares.

DUBLIN extended its uptrend as it approached today's Irish budget, which was not expected to be negative for the market. The ISEQ overall index ended 6.07 ahead at 1,897.46,

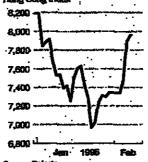
Written and edited by William

Hong Kong maintains momentum as Nikkei eases

The Hong Kong market built on Monday's 5.6 per cent advance, adding 1.3 per cent, but it was unable to hold on to the day's best level after a wave of profit-taking which followed further strong rises in the first hour of trade

The Hang Seng index closed 106.21 higher at 8,004.01 after an intraday peak of 8,146.81.

Heng Seng Index



Turnover amounted to a provi-Property issues held on to

some gains. Cheung Kong fin-ished the session HK\$1.15 or 3.9 per cent ahead at HK\$30.90.

Tokyo

Speculation mounted that the Tokyo stock exchange will set trading limits on construction stocks which have surged over the past few weeks. This put a mer on investment sentiment and the Nikkei 225 average lost more than it gained on Monday, writes Emiko Terazono in Tokyo.

The index gave up 166.68 at 18,500.55 after a day's low of 18,499.65 and high of 18,656.43. Volume came to 299m shares, falling below 300m for the first time since January 17, as investors refrained from trading issues linked to the recon-

struction of Kobe. The Topix index of all first section stocks lost 9.95 at 1,445.35, while the Nikkei 300 dipped 1.98 to 265.49. Declines led advances by 670 to 303, with 189 issues unchanged. But in Landon the ISE/Nikkei 50 index put on 2.67 at 1.181.78.

tion shares, regarded as beneficlaries of the rebuilding of Kobe, the city devastated by last month's earthquake, prompted worries that the Tokyo SE may place the stocks on its watch list

Dealers and individuals, who had purchased the stocks over the past few weeks, remained on the sidelines, while corporate investors continued to realise profits on their shareholdings in advance of the March financial year-end, and the closing of their books.

Mr Yasuo Ueki at Nikko Securities said: "There is a feeling that the first round of the construction sector rally has ended, and investors are asking when the second round will begin.

Penta-Ocean Construction, the day's most active issue, fell Y37 to Y900 and Fudo Construction, the Osaka-based construction company which has led the recent rally, receded Y70 to Y1.280. General contractors were also weak, Obayashi losing Y12 to Y762 and Taisei

Y4 to Y650. Fishery issues shed 2.2 per cent following buying by individual investors on Monday. Nippon Suisan fell Y22 to Y440

and Nichiro Y9 to Y360. Corporate selling hit hightechnology and steel stocks. NEC declined Y18 to Y952,

Fujitsu Y10 to Y910, NKK Y3 to Y273 and Nippon Steel Y2 Banks, which advanced last

week after Sumitomo Bank took heavy write-offs on bad loans, dipped on profit-taking. Traders said investors had expected other banks to follow Sumitomo's lead in cleaning up its balance sheet, and that the declines reflected their disap-

In Osaka, the OSE average slipped 150.20 to 20,366.43 in volume of 80m shares. High-technology shares were lower, with Nintendo, the video game maker, down Y70 to Y5,160 and Murata Manufacturing losing Y80 at Y3,120.

Roundup

Profit-takers came out in parts of the region to trim the The sharp gains in construcadvances of previous sessions

which pushed the weighted index 114.54 or 1.8 per cent higher to 6,531.82, in turnover that rose to T\$59.6bn.

Hopes that the trade dispute between China and the US may be resolved triggered buying in China-concept shares, with Hon Hai rising by the daily 7 per cent limit to T\$86.

KUALA LUMPUR finished marginally firmer, having overcome bouts of profit-taking after the 10 per cent advance of the previous two sessions. The composite index gained 3.62 at 975.58 in volume that improved to 255m shares. Telekom Malaysia extended

its advance on foreign buying, adding 20 cents at M\$18.90. Hong Leong Industries climbed 60 cents to M\$13.20 on

TAIPEI saw late waves of news that the company was buying in the financial sector making a takeover offer for making a takeover offer for Malaysian Pacific Industries. SEOUL failed to maintain an early broadly based technical rebound in lacklustre late trading on continued liquidity con-

cerns. The composite index finished 2.75 down at 942.52 after a high for the day of 952.80. Brokers noted, however, that high-priced shares with low price/earnings ratios attracted short term investors. Korea Chemical and Korea Green Cross went limit up, each gaining Won2,500 to Won98,500 and

Won95,900 respectively. SINGAPORE saw gains eroded and ended lower as traders took profits after the recent upward move. The Straits Times Industrial index closed 6.09 off at 2,118.80, having initially touched 2,141.03.

Straits Steamship Land surrendered 30 cents at S\$4.00 and DBS Land 14 cents at S\$3.60 after their recent gains.

KARACHI was higher on the first day of the new account in a bullish response to news that the government had exempted share transactions of companies listed on the country's stock exchanges from capital gains tax for three years to strengthen capital markets in the country.

The KSE 100-share index moved ahead 31.02 or 1.7 per cent to 1.839.25 BANGKOK closed easier after a session which saw both

profit-takers and bargain hunters out in force. The SET index finished 1.17 lower at 1.829.25 after fluctuating between 1,323.56 and 1,344.54 amid

IF DIRECT BANKING is to take

root, further technological

improvements are needed; but

above all a larger clientele has to

be willing to accept the new

approach. At present, for exam-

heavy turnover of Bt10.5bn. TelecomAsia topped the active list, rising Bt3.50 to Bt88.50. Shinawatra Computer appreciated Bt10 to Bt560.

Phatra Thanakit lost a net Bt3 at Bt186, having strengthened to Bt193 at first on reporting a 90 per cent increase in 1994 net profits. SYDNEY finished lower on broadly based selling after Monday's gains and a sell-off in

metals in overnight trading.

The All Ordinaries index closed 17.1 down at 1.845.8. while the mining sector treated 1.8 per cent. News Corporation, which reported second-quarter results, ended 13 cents cheaper at A\$5.40, surrendering part of

Monday's gain which followed

a buy recommendation from

VIEWPOINT

Commerzbank's focus on German

and European economic issues 295.

ple, only about a tenth of German banks' customers are considered to be potential users of directbanking products. sizeable expenditure on informa-

WHAT IS MORE, telephone and home-banking services call for tained by local banks and the high quality of the service they provide, banks from abroad have traditionally been fairly reluctent to enter the retail market

As FROM 1996, the European Union's investment services directive will extend the "single passport" which already exists for banking to securities business. This will make access to

the German market even easier

How branch networks compare internationally: number of inhabitants per bank office

New sales channels pose a challenge for retail banking

Banks are exploring radically new ways of setting their products. Thanks to modern technology, they can hande an increasing range of transactions entirely via electronic media. For cost reasons, banks, and especially their customers, may prefer to dispense with personal service altogether for certain types of business. Nonetheless, nationwide branch networks will remain one of the strengths of the German universal banks.

> LAST YEAR, several discount brokers set up shop in Germany. They tend to concentrate on securities business or financial investments in the broader sense. In the meantime, however, commercial banks are planning to broaden the range of banking products that are offered by telephone and electronic media.

> AS GERMAN BANKS have extensive branch networks by international standards, direct banking is bound to have far-reaching consequences. However, a major reduction in the number of branches is generally not expected until after the turn of the cen-

2,821 2,958

tion technology by banks, which are naturally wary about invest-ing in technologies that may not have been parfected yet. ALL THIS SUGGESTS that the size

United Kingdon

of the major German banks' branch networks will remain an important competitive advantage for several years to come. The new sales channels for bank products will thus complement rather than amplant the traditional branches.

WILL THESE CHANGES IMPROVE opportunities for foreign financial institutions in the German market? Traditionally, banking regulations in Germany have been very liberal towards banks from abroad. Yet despite this, foreign banks have so far attained a market share of only 5%, the lowest in any major industrial country with the exception of Japan. In view of the large branch networks mainfor foreign institutions, as the capital adequacy requirements which securities firms must then meet are fairly low when compared with those for banks

GERMANY'S UNIVERSAL BANKS

have risen to the challenge which this implies by combining new and existing marketing techniques so as to capitalize on the strong points of each. Direct banking and the product range which it will be used to market are designed to reflect customers' preferences more accurately. At the same time, consumers will benefit from cost savings in the delivery of banking services.

For more information about our banking and financial services, contact Commerzbank's Corporate Communications Department, Frankfurt. Fax +49 69 13 62-98 05

COMMERZBANK German know-how in global finance

| Dollar | Shering | Yen | Index | Ind Austria (16). Conada (103) 120.85 78.86 101.21 128.71 120.83 119.53 151.48 183.70 155.87 102.87 130.37 130.33 133.35 89.45 119.35 130.37 130.33 120.10 132.24 167.58 181.85 77.10 50.95 64.57 97.80 139.59 92.25 116.81 92.25 445.30 294.70 373.47 451.46 1054.54 656.90 83.17 6372.82 Denmark (33) 210.56 48 445.83 294.70 373.47 461.46 1.6 1054.54 696.80 883.17 8472.62 -0.2 208.53 137.81 174.65 177.90 -0.6 69.58 45.98 69.28 61.44 -0.1 203.68 134.61 170.59 194.95 0.9 333.49 220.39 278.30 236.34 0.3 289.54 181.35 242.49 286.85 0.5 126.57 83.71 106.09 134.08 1.1 230.56 152.57 183.35 283.38 0.7 157.67 104.19 132.04 133.92 84 147.37 97.39 123.42 150.88 -0.2 183.95 121.57 154.06 183.95 0.5 187.43 123.97 156.97 197.23 ...214.34 Span (38). Sweden (48) Switzertand (47) Theliand (46) United Kingdom (205) 172.41 113.94 144.39 152.00 181.39 108.05 138.15 150.88 221.15 146.15 185.21 218.16 145.83 97.03 122.97 101.28 152.80 100.88 127.97 120.53 183.31 121.14 153.52 192.58 145.59 64.17 121.87 180.51 171.01 113.73 143.11 151.26 177.05 180.59 178.05 189.24 180.33 106.63 134.18 149.93 177.05 180.59 231.21 219.04 145.67 183.31 216.84 233.91 197.70 152.65 144.62 98.16 121.03 100.32 176.85 145.83 159.47 157.06 100.47 128.43 119.56 176.14 154.73 191.87 181.77 120.89 182.12 181.59 192.89 176.67 152.13 144.13 95.85 120.82 128.82 158.12 144.12 0.5 0.8 0.6 1.0 2.80 3.09 1.40 1.20 2.03 2.83 2.48 3.29 2.05 2.14 2.94 Americas (662) 271.27 279.04 145.67 183.37 216.34 233.91 182.68 159.47 151.08 100.47 126.43 119.56 175.14 191.67 183.77 120.89 162.12 191.59 182.89 152.12 191.59 182.89 152.13 144.13 95.95 120.82 129.82 156.12 222.74 211.02 140.34 176.60 196.61 251.75 160.13 151.70 100.68 126.55 122.76 176.65 186.66 156.78 106.27 133.77 140.86 176.95 186.02 176.23 117.20 147.48 176.81 182.98 Furo-Pacific (1531).

0.7 183.53 108.07 136.95 145.98 0.7 2.34 170.89 161.90 107.57 135.49 144.72 180.80 165.92 176.44

حكنامن الأصل

Commerchank's new

bank", is the first direct-

banking unit to offer a

broad range of products: an interest-bearing

account, discount broker

age services and credit lines for securities

purchases, with further products to follow later.